

## COUNCIL MEETING

FEBRUARY 13, 2013

The Council Meeting of the Council of the County of Kaua'i was called to order by the Council Chair Jay Furfaro at the Council Chambers, 4396 Rice Street, Room 201, Līhu'e, Kaua'i, on Wednesday, February 13, 2013 at 11:19 a.m., after which the following members answered the call of the roll:

Honorable Tim Bynum  
Honorable Gary L. Hooser  
Honorable Ross Kagawa  
Honorable Nadine K. Nakamura  
Honorable Mel Rapozo  
Honorable JoAnn A. Yukimura  
Honorable Jay Furfaro

### APPROVAL OF AGENDA.

Mr. Rapozo moved for approval of the agenda as circulated, seconded by Ms. Yukimura, and unanimously carried.

### MINUTES of the following meetings of the Council:

January 4, 2013 Special Council Meeting  
January 17, 2013 Special Council Meeting  
January 17, 2013 Public Hearing re: Bill No. 2439, Bill No. 2460, and Bill No. 2461  
January 23, 2013 Special Council Meeting

Ms. Yukimura moved to approve the Minutes as circulated, seconded by Ms. Nakamura, and unanimously carried.

### CONSENT CALENDAR:

Chair Furfaro: The next portion of our agenda will be our Consent Calendar. For those of you that are here, our Consent Calendar allows for people to give testimony early on, on the items on the Consent Calendar, or for that matter, any other items that are on the agenda. There will be no exchange between the Council with any Q&A. But it gives you an opportunity to give your testimony at an earlier and specified time. Is there anyone here that wants to speak first on the Consent Calendar? Is there anyone here that would like to give three (3) minutes of testimony on any item on today's agenda? Mr. Imperato, please come up. Hi Carl.

There being no objections, the rules were suspended to take public testimony.

CARL IMPERATO: Aloha Councilmembers. My name is Carl Imperato and I am here to speak briefly about Bill 2465 which is the revised subdivision standards for complete streets. Two (2) weeks ago the Council discussed the Kaua'i Multi-Modal Land Transportation Plan and at that time the Council seemed to agree that, number one (1) sidewalks curbs and gutters should not be the vision for Kaua'i's rural communities and number two (2) that

local communities should have a major say in determining how those communities evolve. Unfortunately, the current draft of Bill 2465 reflects the concepts of centralized planning and ubiquitous sidewalks in every community in Kaua'i rather than local control and a more balanced approach that would require sidewalks in the urbanized parts of urbanized community. The subdivision standards in Bill No. 2465 would amend the subdivision code to require that sidewalks be installed on both sides of all proposed streets in all new subdivisions and on existing streets that abut new subdivision if the subdivision is in a commercial/industrial/resort zone or residential zone denser than R-2 or if the subdivision is within half a mile of a school. Now, the current Code requires sidewalks only on one (1) side of the street. The current Code does not impose sidewalk requirements in R-4 and R-6 zones. The current Code does not create a blanket requirement that any subdivision within a half mile of a school must have sidewalks, curbs, and gutters. There is an exception in the Bill if Public Works decides that the sidewalk construction is unnecessary. But I do not think that delegating the authority to determine the future look and feel of a community to Public Works is the right thing to do. The proposed standards would also require cross streets or alleys every four hundred fifty (450) feet in residential and commercial districts. Now, in communities like Hanalei that would be a cross street or an alley every five (5) or six (6) houses. The current Code says it is one thousand eight hundred (1,800) feet, after twenty (20) to twenty-four (24) houses. In short, Bill No. 2456 proposed subdivision standards are requirements to suburbanize Kaua'i's rural communities. They are contrary to the goal of preserving Kaua'i rural character. A goal that I think most Councilmembers seemed to support. Bottom line is that I think we need to face the fact that although the supporters of complete streets and Multi-Modal Transportation have given lip service to preserving Kaua'i's rural character, the reality is that both programs are basically urban concepts and until now, not enough thought has been given how to adapt those for rural communities. My my written testimony, includes a list of Kaua'i's communities and their approximate populations. They are actually census designated places in the communities, but give you a rough idea. Most of Kaua'i's communities are rural and even the larger ones have rural areas within them. Most rural communities have space for new subdivisions to which Bill No. 2465 would apply. So, however small a new subdivision might be, for example an infill cul-de-sac with a dozen houses in the middle of Hanalei, the standards proposed in the Bill would generally require sidewalks, curbs, gutters, and urban type grid blocks with cross streets and alleys. Now, I recognize that this is the first draft of Bill 2465 and that the Council has not had any time to work on amending the concepts that came from the Planning Department, that the Planning Department did not see the Council's concerns when it had this Bill before them. So, in concluding, I am just asking that you give some thought at this time to each of the communities on the island. Give serious consideration to the question of whether the standards proposed in the Bill are appropriate for all of Kaua'i's communities or just parts of some of Kaua'i's communities. When this Bill is scheduled for public hearing I will offer, hopefully, constructive suggestions for changes to basically place more control over the density and future character of Kaua'i's communities into the hands of the communities. I thank you for the opportunity to speak right now and I thank you for your attention.

Chair Furfaro: Well, if you can wait just a moment. To the Deputy Clerk, do we have a tentative date for further hearing on this?

JADE K. FOUNTAIN-TANIGAWA, Deputy County Clerk: Yes. Bill 2465 is scheduled for...if approved today, scheduled for public hearing on March 13<sup>th</sup>.

Chair Furfaro: So, Carl, if we are successful today, it will be back for public hearing and working on the Bill on March 13<sup>th</sup>.

Mr. Imperato: Thank you. I look forward to that.

Chair Furfaro: Is there anyone else in the audience today that would like to speak on any item on the agenda? Again, no Q&A from the Councilmembers on the Consent Calendar items.

There being no objections, the meeting was called back to order, and proceeded as follows:

Chair Furfaro: Seeing no one...okay. Very good. I believe we are looking to go to the first item. Any discussion on the Consent Calendar?

C 2013-63 Communication (01/24/2013) from the Director of Planning, transmitting for Council consideration, the Planning Commission's recommended Amendments to the Subdivision Ordinance (Chapter 9, Kaua'i County Code 1987, as amended) to allow for Multi-Modal Transportation Principles for Subdivisions. (*Copies of Director's Report, Supplement to the Director's Report, and the Planning Commission Public Hearing Minutes on file in the County Clerk's Office.*): Mr. Rapozo moved to receive C 2013-63 for the record, seconded by Ms. Nakamura, and unanimously carried.

C 2013-64 Communication (01/24/2013) from the Mayor, transmitting for Council consideration and confirmation the following Mayoral appointees to the various Boards and Commissions for the County of Kaua'i:

- (1) Civil Service Commission:
  - Karen S. Matsumoto – Term ending 12/31/2015
- (2) Fire Commission:
  - Savita Agarwal – Term ending 12/31/2015
- (3) Planning Commission:
  - John K. Isobe – Term ending 12/31/2015
  - Amy A. Mendonca – Term ending 12/31/2015

Ms. Nakamura moved to receive C 2013-64 for the record, seconded by Mr. Rapozo, and unanimously carried.

#### COMMUNICATIONS:

Chair Furfaro: Thank you very much. Okay. Then we have a request. Madam Clerk, I think the first request from Vice Chair Nakamura to deal with the agenda.

There being no objections, C 2013-65 was taken out of order.

C 2013-65 Communication (01/03/2013) from Council Vice Chair Nakamura, requesting the presence of Diane Zachary, President & CEO of the Kaua'i Planning & Action Alliance, and Jerome Argusa, Ph.D, Professor at Hawai'i Pacific University, to provide a progress report and update on the Sports &

Recreation Inventory, Comprehensive Economic Development Strategy (CEDS) Project: Mr. Rapozo moved to receive C 2013-65 for the record, seconded by Ms. Yukimura, and unanimously carried.

Chair Furfaro: I think for this portion, I might turn this over to Vice Chair Nakamura to handle to pieces. But, may I ask for a moment of personal privilege before I turn this over to you? I do want to have a moment where I can give thanks and praise to our Staff for something that I am going to pass out to all of you now. We have had an opportunity to have our County reviewed by the Sunshine Review. Two (2) years ago when I took over as Chair our overall grading for by Sunshine Review was a C. In fact over two (2) years with the work of many of our members and of course work from the Staff. The Staff is the one (1) that really focuses on this. I am very, very pleased to report and I have given a little press release out on this, that our two (2) year improvement in our grade. The County of Kaua'i is now an (A+) for ratings. This means that relieving and providing information from budget, meeting schedules, meeting information, addresses of Elected Officials, Planning Directors, Police Commissioners, Administrative contact numbers, the audit review, disclosing at the State Legislature who represents us in our lobbying efforts, the availability of public records, and as well as statements relating to costs and forecasts for local taxes. I want to let you know that this is a national survey that our (A+) grade is given. I also want to indicate amongst our sister Counties, Hawai'i County had a grade of (C-), Honolulu County had a (D-). Kalawa'o, if you do not know is the compact agreement between the Federal Government and Kalawa'o on Moloka'i that is actually a County. I think they got an (F), but it is based on a Federal requirement. So, the Kaua'i County got an (A+) and Maui county got an (A-). So, if I could ask to recognize our Staff and the recent addition of our Facebook application for the County of Kaua'i. Thank you very much. Now on that note Vice Chair, I will let you...did you want to speak?

Ms. Yukimura: Yes. I just would like to also acknowledge the Administration that has put together the website. I think this is a County award too?

Chair Furfaro: This piece is only the Council.

Ms. Yukimura: Oh, well then, very great?

Chair Furfaro: This is a Council information piece. But we also would like to thank the Administration for their support of what we wanted to accomplish and obviously, the Office of IT and Finance. But this was the effort done by the Council Staff.

Ms. Yukimura: Thank you.

Chair Furfaro: Thank you, Staff. On that note, you have the floor.

Chair Furfaro, the presiding Officer, relinquished Chairmanship to Ms. Nakamura.

Ms. Nakamura: Thank you very much. I just want to first of all, call up Diane Zachary who is the President of the Kaua'i Planning & Action Alliance (KPAA) and George Costa from the Office of Economic Development. While they are coming up here...and Jerome Argusa who is the Professor of Travel

Industry Management at Hawai'i Pacific University. Just by way of background, several years ago the County initiated funding for the Kaua'i Marathon. At that time there was a lot of discussion and some controversy around why are we, as a County, giving funding to one (1) organization when there are a lot of other sports and recreational activities occurring on this island. As policy makers, I think we all recognize that there was a lack of data to help guide our decision making. So because sports and recreation is one (1) of the six (6) industry clusters we are trying to promote on this island in terms of economic diversification, we put in the budget some funding through the Office of Economic Development to do a sports and recreation inventory specifically focusing on the off-island visitors that are attracted to this island because of the events and tournaments that we have here and to figure out what is the overall economic impact. So, we are very happy that George Costa was willing to step up. Lenny Rapozo thought this data would be also useful for the Department of Parks and Recreation so that they have information on when to prepare the fields, what are the big events coming up for the year, and how to coordinate the maintenance in preparation of these big events. Finally, I wanted to just pass out to you an article that appeared in Hawai'i Business Magazine that talks about the impact of sports and recreational tourism on the island of Maui and their interest and desire to get a handle on good data. That is what this article that appeared just last month. So, it looks like there are, I think, everyone has seen the need to get a good handle on this and to be able to have a good public policy on how to proceed to grow this industry on this island. This is really our first step, one (1) of our first steps. George, you want to...

GEORGE K. COSTA, Director of Economic Development: I just wanted to take a few minutes. In 2009...well first of all, I just want to congratulate the County Council and your Staff on your achievement in the Sunshine grade that you received. So, you make us all very proud. So, congratulations. In 2009 while we all experienced the great recession, the Office of Economic Development and the Kaua'i Economic Development Board started working on the Comprehensive Economic Development Strategy (CEDS) Update which was created in 2004. The CEDS is a document and a plan that is a requirement of the Economic Development Administration to list projects that are essential to the diversification of our island economy. The CEDS focuses on six (6) emerging industry clusters: Food & Agriculture, Health & Wellness, Sports & Recreation, Culture and Arts, Science & Technology, and Sustainable Technologies & Practices. Today, we are here to provide an update on one (1) of the sports and recreation initiatives, and thank you to Council Vice Chair Nakamura, that we feel is important to have a better understanding of the various sports and recreation events that take place each year on our island, and provide economic stimulus for many different sectors of our island community. At this time I would like to call upon Kaua'i Planning & Action Alliance Director Diane Zachary and Dr. Jerry Argusa, Professor in the Travel Industry Management Division of the College of Business at Hawai'i Pacific University. Thank you.

DIANE ZACHARY: Thanks so much, George. It is a real pleasure to be here this morning talking to you because this is something that we have been working on for a while. It is really fun to be able to finally share it with the Council and with the community. When KPAA was asked to take on this study we knew that we ourselves could not do the study. But we did actually prepare the beginning part of it which was conducting an inventory of sports and recreation events on the island. Frankly that is not an easy task to do because there is no one (1) central location where all of that information was available. So, we did our very best asking a lot of people what they knew about. We did also establish some criteria for

the kinds of activities that would be included in the study. Jerry will talk a little bit more about that. But essentially it was off-island visitors who spend the night. So, only their impact was really considered as part of this study. Then we started looking for who would be a great consultant to do the work and highly recommended to us as Dr. Jerry Argusa from Hawai'i Pacific University. We were very pleased to be able to bring him on and he will give you a little bit more background on his own experience. But he was definitely the right person for this task. With that, I want to turn it over to Dr. Argusa and introduce him to you.

JERRY ARGUSA: Thank you, Diane. I wanted to congratulate the Council. As a Professor, (A+), cannot get better than that. Always nice to hear. I was asked to evaluate a number of different sporting and recreation events that I was given on a list. I am going to share with you a quick PowerPoint. I think everyone has received this report. Yes? Okay. We will try to go through it. A quick agenda, I will talk a little bit about myself. I was asked to do that and as a Professor, we all like to talk about ourselves. Then a little bit about the project's purpose, a look at the approach that we used, some of the challenges, and also, sports/tourism as a whole, the impact on the local economy. Then we will give you some examples and then some recommendations and marking suggestions that might help, and then conclusions. I would like to thank Diane for such a gracious introduction. I have been unfortunately been a Professor for twenty-three (23) years. I love my job though. I have published over one hundred (100) research papers and I have presented in over twenty-five (25) different Countries. I guess my claim to fame is marathons. I have done the Honolulu Marathon Economic Impact Study for the last ten (10) years, I have done work for Sony, Open, Nike Tour when I used to teach at the University of Louisiana in Mardi Gras. This is picture of me at a press conference. I am considered a Tourism Expert by Asia Productivity Organization which is a part of the United Nations. I go to different Countries and help out. I have consulted and worked with a number of Governments and Officials in a number of Countries. As I said earlier, I am a Professor of Travel Industry Management and the College of Business. Prior to that I help two (2) endowed research professorships at the University of Louisiana and I have taught at a number of Universities including the University of Hawai'i for a while as well.

The project purpose: examine the economic significant of Kaua'i's sports and recreation events and to provide insight into some of the sports and recreational events. What we did was I analyzed some data from secondary research sources. Because I was not able to come before and see all of the events we used secondary resources. We also used some industry interviews including the hotel industry with the help of KPAA, as well as my knowledge and experience in the industry. I then used an input/output model from a number of my economic impact studies and I used that for part of this as well. Some of the challenges that I faced. The scarcity of reliable data and a lot of estimates had to be made. This is due to the fact that a number of people that are running these events are doing this out of pure love. No one had the opportunity to train them. There was one (1) lady that I was speaking to said she had been involved for almost thirty (30) years. I asked well how did you get involved? Oh, my husband used to do it and he passed. So, I have been doing it for the last seven (7) years. I was just like, wow, you know. Doing this you just out of love and trying to make it work. Then there were a number of folks that were kind of hesitant in giving me any type of responses. Who are you? Where are you from? Why do you need this? Are you going to start your own marathon or your own event? No, I am a Professor and I live in O'ahu. I am not going to come here to my own marathon. So, that was quite challenging. Sports and recreation bring

many unrecognized benefits for local economy and these events may improve the quality of life for the island residents by allowing them the opportunities to both watch, view, and also participate in these sporting events. You can see here, there are a couple of pictures from some of the local events – The Kaua'i Marathon and the Regatta. Sports tourism is a multi-billion dollar business and it is one (1) of the fastest growing areas of the 4.5 trillion dollar global travel and tourism industry. It is said by Sports Travel Magazine that sports tourism is worth about one hundred eighteen billion dollars (\$118,000,000,000.00) worldwide. That is a "B" billion. Many economies of both cities, regions and Counties are coming increasingly reliant on the visiting golfer, surfer, and the traveling teams such as softball, baseball, or soccer supporter. Here we have some pictures from Kaua'i. Sports tourism accounts for as much as twenty-five percent (25%) of the tourism receipts for many Countries. Kaua'i sports and recreation events attracts participants as well as their friends and family from all over the world that come to support them. Here is an example of the Regatta: paddling canoe. Also, when we have Kaua'i sports and recreation events, the contribution does not end when they leave...the tourist because many participants become ambassadors for Kaua'i. Especially when they had a very good time they will be out there. Here is a good example. This gentleman went back and put on his Facebook page how well he enjoyed himself.

The continued economic success of sports and recreation events depends on the ability to achieve high visitor event affinity. Like today, many major sporting events themselves are becoming tourist attractions. Here this used to be on the PGA Tour, Po'ipū. But now people still come because they want to say I hit the golf ball where Jack Nicklaus hit it. This is becoming more and more. Earlier today when I was outside, I was speaking to someone...to a group of folks who were talking. When I was in college...when I went to school in Europe, I went to Munich and I was able to swim in the Olympic Stadium in Munich. I make believe I was Mark Spitz. Those of us that are old enough to know Mark Spitz is and the rest of them say "who?" Along with these sporting events themselves a variety of social and cultural activities supporting these events offer powerful opportunities for the host area as culture and traditions. Here Kōloa Plantation Day as well. Who are sports tourists? Sports tourists are passionate, high spending, enjoy new sporting experiences, and often stimulate other tourism. We put sports tourists into two (2) different categories. The spectator and those who participate. The spectator, tourism usually involves experienced sporting event where the body of spectators outweighs the small number of elite athletes. Here is an example of our body board surfing here competition or the rodeo. But those who participate broadly defined, means tourism includes traveling away from ones primary residence to participate in the sports activity for both recreation or competition. There is the Kaua'i Marathon. Participatory events may also represent the ultimate opportunity to engage in high visitor event affliction. During my research over the years on a number of marathons, majority...over fifty percent (50%) of the first time runner will not run the second marathon the next year. They do it. It is a bucket list. They check it off. But if they do it here, they remember it is a great time. They remember that as an accomplishment. I got that one (1) done. Since participatory events often make use of existing infrastructure and volunteer labor, they are relatively inexpensive to host thereby yielding very high benefit to cost ratio. Here again, this is the triathlon. Why sports tourism? The high event affinity and strong relationship building. Then with that you have a high amount of repeat visitation. Also, they are being ambassadors to the world. Also because it is relatively inexpensive to host by using those existing infrastructures and a lot of volunteer labor. Also, you want to make sure you can...here in Kaua'i, they can get their fair share of Hawai'i's great tourism industry of that seven point four billion

(7,400,000,000) or whatever...million I mean, or eleven billion (11,000,000,000). It helps to retain local money in the economy re-circulating throughout both the County and the State. Contributions to Kaua'i's economy is more significant than often realized because we are organized locally. You do not spend a lot of money on advertisement, especially media. There is a good high multiplier effect and then it helps increase employment in corporation generation and then tax revenue. With the events that I was given and the information, I was able to have through a model that I used, those events generated 4.3 million dollars for the year in direct spending and with the multiplier effect it generates about 7.1 million dollars for Kaua'i. What we did was, I used the Hawai'i Tourism Authority, some of the numbers that they had and we looked at four (4) different categories of tourists that come for sporting events. You have the overseas adult. You have those with the families coming to the inter-island. You had the high school athlete which have you the quite a few of. Also, you had the higher spending visitor that comes for this specific event without being in a group. You can see that these folks spend about three hundred forty-five dollars (\$345.00) a day.

One (1) thing I would say is the transport of fifty-five dollars (\$55.00) a day for the rental car is quite low compared to if you try to rent a car these days. You come here today, the rental car was over one hundred fifty dollars (\$150.00) a day which is very, very high. One (1) of the greatest examples that I found through my research is what the Kaua'i Marathon has done. Their model that they used is the way it should be. They surveyed quite a number of people. One (1) of the reasons that they are able to get some good data is because it is a closed event. We have open events and closed events. When you have closed event where everybody that participates has to sign up, you know exactly how many people there are and because of that then when you survey you can get a better understanding and better statistical analysis. The challenge is with open events, how do you decided? Like looking around the room how many are in the room? Well, we knew that there had to be seven (7) people at the counter because you guys are registered. But how do you quickly...if somebody took a real quick...how do you know how many people? Then if I asked you three (3) days from today, how many people were sitting in when I was presenting? It would be more difficult to count. When you have a closed the event like the marathon and triathlon, you have a better idea of how many came for the event and then you can survey them and asked how many people came with you not to participate on the event? That is how you get a much more exact number. The open event is much more difficult when you allow people to just say...in parades or festivals where you do not have that information. It is much more challenging. But those folks did it really well. I have to give credit to Bob for doing this. He did a really good job.

Some recommendations: events such as the Kaua'i Marathon or Kaua'i Triathlon attract a large number of both U.S. mainlanders, as well as international participants and this helps to bring more money. They usually stay longer. The further a person travels, the more likely they are to stay a longer period of time. Outrigger Canoe Regattas brings a large number of interisland visitors, but usually for one (1) or two (2) days. One (1) of the things I found is that the female paddlers will actually take another day and they will have it a day...especially paddling...and the men paddling, we will call them the "Seniors." I do not know what word is for female, we do not call female Seniors, or more mature, my age group. They will take a day before the race and have a lady's day where they go to the spa. Also, they are willing to pay because they will quad up. They will put four (4) in a room. They will pay for a higher end hotel. They want that. They need to have the more luxurious towels and so on. They are willing to spend. They are



willing to say, "Hey, I want my cosmopolitans." They go into the bar and they say, "We earned this." Also, according to some of the information; Kōloa Plantation Days had a high amount of visitors for a long period stay. Another thing we found out is sporting youth events, but younger youth was very, very profitable for the hotels. The children that are six (6), seven (7), or eight (8); that is the market that does really well. Why? Because the mom and dad do not want that kid out of their sight. They will not send them. The boy who is thirteen (13) or fourteen (14), if they are going to go out outer island, the parents say, "Go, go bother someone else." Then the parents will come here and then they will stay in the hotel. If they have other younger siblings, once they get to the hotel room, they camp, and do not leave their hotel room. There is room service involved. The hotels are looking for that like the youth soccer league, and youth softball, but the younger youth, generates more money.

Some marketing suggestions. Now with Facebook, Twitter, YouTube, and many others have revolutionized the whole experience of a sporting event. The social media, lets participants share and excite the sporting events with their friends. One (1) out of five (5) fans on Facebook will invite a friend to a game. One (1) in five (5). Nearly fifteen percent (15%) of the all ticket buyers say that they have been influenced on Facebook for a sporting event ticket, and consumers increased time online present opportunities for this sport event tourism. More than eighty percent (80%) of all sports fans monitor social media sites while watching a game on television, and more than sixty percent (60%) do so while watching it live. Sporting event organizers need to recognize sports fans as active creators instead of just passive consumer participants. Engaging fans and participating before, during and after the event online, as well as in the intersection of both the digital and physical world is an unprecedented opportunity. Those of you who watched the Super Bowl, a week and a half ago, you might remember these two (2) commercials? Both of these commercials had social media involved. I had a link put inside...I do not know if we can click on it. The firsts with a Budweiser commercial, where there was a fold and it was very emotional the people said. You could actually vote in the name of the horse, and the name actually came out to Hope. There were eight hundred thousand people (800,000) who came in. The second was the Coca Cola commercial, where there were all different groups. There were people on camel, horses, motorcycles, and the tour bus. They let people vote on what they think was going to happen. The winners were the females in the bus, because eight-nine percent (89%) of people who watched the Super Bowl were females.

Some conclusion: sports and recreation events have significant positive impact on Kaua'i's economy and sociocultural. Improving the quality of the sporting events planning and hosting will benefit the experience of both the visitor, and the local resident. More accurate record keeping will induce both scientific studies and effective event management in the future, and utilizing new marketing will help catch the unique niche market. Just like we had here, whoever passed this out, about Maui, you folks are in the same boat, too. If you can get more data, it will be much easier to see what is working, what is not working, and maybe how to improve and target a certain market group to help you get more tourists to sports to spend more money. I am open to any questions. I did introduce myself right?

Ms. Zachary:

Yes, you did.

Ms. Nakamura: Are there any questions from Councilmembers at this time? Chair Furfaro.

Chair Furfaro: Yes, I just want to make an announcement, I am going to let our session today go to 1:00. Then if anybody is here for the public hearings at 1:30, it is also 1:30 or thereabouts, and then we will do public hearings at 2:00. Thank you.

Mr. Kagawa: I will go first. You know, it is ironic because twenty (20) years ago I was the first General Manager of the first professional baseball team here on Kaua'i. I was part of the Hawai'i Winter Baseball League and I had the support of our Mayor at the time, Mayor Yukimura. For the first game, we had about five hundred (500) people in the stands, and it was just a memorable day. It was a 2:30 game on a week day. But you know, as a General Manager here, I was kind of against the odds because we were the only island without a lighted baseball field. The second reason why we struggled was that we were the only island that did not serve beer at the games. With professional baseball, you know, especially in the lower-class Single (A), Double (A), you have a lot of fans following because they enjoy having their beer after work and watch something good baseball. But I know a lot of times for Kaua'i, it is our facilities that make it tough to bring the large amount. Like at Waipi'o, you have the big soccer complex, but still, they draw some outer island tournaments, but they do not do that great a job bringing in any mainland or foreign tournaments. I just do not see us having some of the facilities, like there have in Phoenix, Las Vegas, and Reno to bring big volleyball events in. So, I think I like the plan at Waimea. It seems to be able to support some of the big tournaments, but I think our plan here, while it is nice to have some of these, we need to go get a deeper plan that I believe identifies maybe some facilities that we can target certain things. I appreciate the presentation. I know it is a lot of positive things, but without the facilities and everything, it is kind of hard to just target. You can only have so many marathons, and we have one and we could try to do a good job that one (1). But I think the facilities make it hard. I have been also involved with the Lihu'e Baseball League Memorial Day Bash. I think we are going into the eleventh (11<sup>th</sup>) year of that. With that we bring in about twenty (20) teams from O'ahu, and a couple from Maui and the Big Island. But, it is a pretty big impact. When they are youths, they normally come with their parents. But again, with something like that, it is good. But again, if we had more fields, we would have even more interest from more teams that we turn away. It is tough without the facilities. I do not know if you would like to comment on that.

Dr. Argusa: You could look at niches that fit at this time before we build other structures. You should see what the facilities can handle and try to find niche groups to come at that time. One (1) of the things that I would definitely push is the natural beauty here. I noticed that he had it on one of the advertisements for the marathon and the triathlon. You should see it, but this is the most beautiful marathon in the world, hands down. You win, and that is what you need to go with. You do not have the other things...I would use the facilities that you have now and look to see what niche markets that can fit in that. I did look at your baseball tournaments that you had and how many people came across and so on. That is great. You did have a big impact. The thing is, like you said, it has to be consistent. But you can play baseball twelve (12) months a year here, unlike in Phoenix, they cannot play baseball in summers. You cannot play outside. You can only play at night because of the heat and people do not play as much in winter. They play now because it is Spring Training. I would definitely look at the niche markets and looking at the facilities. I heard there is talk of building a bigger facility. I am not involved with that, and I do not know how exactly it is all going to work, but I think what you have is the natural beauty, and you are doing well. I

could not find a hotel room here. I had to go all the way out to Courtyard by Marriott. Everything was sold out this week. There is something going well.

Mr. Kagawa: I guess being a parent that used to travel a lot with my daughter to O'ahu and the mainland, yearly with soccer and volleyball. I know that there is a lot of potential business you can bring in with the beauty of our island, but again, if you do not have the facilities to hold the tournament, for instance, even a baseball tournament. If we do not have the lights, you can only play eight (8) hours, whereas if you have the lights, you can play sixteen (16) hours or twenty (20) hours. You can fit in that much more games. I know it is a tough balance, but I think at some point we have to...if we make a commitment to tap into the sports marketing tourism, we have got to back it up with upgrading our facilities, or putting more effort into that area. I think you cannot target everything. But we have to ask ourselves, "What is important to us to try and bring? Are we going to attack the baseball market? The volleyball market?" I think we need a better plan. With that, let us go for it. I think it is a big market and I think people from the mainland would like to come here during the summers. The water is warm. It is not cold. I just think there is a lot of potential, but we have to go for it. We have to back it up and make a concerted effort to try and hit the homerun in this market.

Dr. Argusa: When I moved to Hawai'i full time, I was fortunate enough to teach summer school in Hawai'i from '89 to 2000. I taught for the University of Hawai'i for eight (8) summers, and prior to that I taught at Hawai'i Pacific College, before it was a University. I was teaching on the mainland during the year, and when I lived in the South, it was too hot to live there. One (1) of the things is when I first did the first study on the Honolulu Marathon, one (1) of the reporters asked me, "What would you suggest?" I suggested that Hawai'i Tourism Authority (HTA) have a sports person...have someone that understands sports to help market it. That is what opened up that job, I believe. He owes me a beer, the guy who has the job now. But I believe that was one (1) of the things that happened. I think the same with you. Maybe you do not need to have someone that is just as big as that because HTA is much larger, but someone that can help you do this. You should be looking for the sporting events in your shoulder periods, your down periods, not like this week. It is Valentine's Day week and you are packed. This is a very romantic place and people from both the mainland, as well as from our island are coming here to be romantic and to be alone. The hotels are full, full, full. You look for times when you have that dip, and that is when you want to put it. You do not want to put it on Memorial Day weekend because you are already full then. You look for the shoulder periods. That is what you should be looking for.

Mr. Kagawa: Thank you, *mahalo*.

Ms. Nakamura: I just have a follow-up before Councilmember Yukimura asks her questions. On your staffing recommendations, do you think it is more effective to have that marketing person coordinating and developing the one-on-one relationships with marathon organizers and so forth, to be a public staff position or within a non-profit or private entity?

Dr. Argusa: I know that they put that person in HTA. HTA is monster. They support you folks, the tourism authority, they are just a monster, and they only get a small percentage of the money that they should get. Most of the entities that I work with throughout the world, is that all the hotel tax goes directly to the Tourism Bureau, and here they get thirty-one percent (31%) or

thirty-two (32%), and the rest goes to the General Fund. I think they have to do it that way just because...I do not know...well, I think it would be positive either way, if it is a State worker, or a County worker, or if it goes to a private entity.

Ms. Nakamura: Do you think if we decide as a County this is an important niche to pursue, that it is important to have that body to help to make it a reality?

Dr. Argusa: Correct. You do not want them...as Councilmember Kagawa just said, you already have the marathon. You have the triathlon. You want somebody that is going to help to organize the other events such as the baseball, youth baseball, and the youth soccer. These types of things, and maybe basketball. I do not know if you have the facilities for basketball, but your strength here is outdoors. Use the outdoor stuff, use the baseball, use the soccer, use the natural beauty. That is what I would use. You want somebody who has those contacts, who has been involved. First, you might do a tournament with a large portion from O'ahu because there are so many people on O'ahu. Then if they can do a tournament that might invite those from California schools, because there are schools that even the younger private schools that are similar to what we have on O'ahu such as Iolani and Punahou, where the parents have the money. The parents have the money. They will make that. "Little Joey is playing in the tournament, but we are going make a family vacation out of it." They are going to max it up, and then you need to be looking at it for times when there is a school break, and things like that.

Ms. Nakamura: Councilmember Yukimura.

Ms. Yukimura: Thank you, Dr. Argusa. I wanted to ask about your slide twenty-two (22). "The continuing economic success of sports and recreation events depends on their ability to achieve high visitor event affinity." What exactly do you mean by that?

Dr. Argusa: High event affinity is for instance, as I mentioned earlier, is when somebody actually runs the marathon and they finish. They become attracted not just to the event, but the place where it happened. For instance, if I got engaged on the beach in Kaua'i, I will always remember that or one (1) of the reasons why you should be when you look at the honeymoon market why people go back to those locations. They have that affinity to the location, not just the event. As with triathlons, there are only a few elite people in the world who truly run triathlons all of the time, and same with the marathoners. The marathoners are those that are dedicated or obsessed. My age group, I am over fifty (50), and if I had to run a marathon next week...I mean next year, I would have to train for a year. That would be five (5) days a week out of my life that I have to wake up before and after work to do this. I ran in high school, but I was a sprinter. I was not a long distance runner. This would be very, very high dedication and what happens is that if I run the marathon, I am going to check that off the box. "Done." I am not going to do another one (1). Most likely I am not going to be one (1) of those people, but I will always remember the place where I accomplished that. It is the same thing with the other sporting events. When you have something—like you remember, you said when you had the opening day when you were the General Manager. You have that affinity to that. You remember that.

Ms. Yukimura: Yes. But Dr. Argusa, does that mean they come back?

Dr. Argusa: They will come back, but not to remember the race. They come back to just remember and have that good feeling.

Ms. Yukimura: Do you have research showing that?

Dr. Argusa: Yes, but not for your events, I am sorry, but for other events.

Ms. Yukimura: I am just trying to understand how you create what makes that event distinctive in the category you are talking about.

Mr. Argusa: The accomplishment that somebody had that event that was successful, number one. Number two (2) is that most tourists, once they are exposed to the tourist destination are more likely to return with a positive experience. One of the great things about Hawai'i...

Ms. Yukimura: But that is true of any tourists who comes, right? We want to give them a positive experience.

Dr. Argusa: Yes. But if you have them come for the sporting event that might be exposing them to the first time to Hawai'i, to Kaua'i.

Ms. Yukimura: Right. Okay. On your input/output model, how reliable is that? What does it exactly tell you?

Dr. Argusa: What we do is we look at the amount of money spent. For instance, if a tourist comes today, and they spent money in the stores, and in the shopping center and then how that money is translated or used over and over. For every dollar spent, another sixty-six (66) cents is spent.

Ms. Yukimura: That determines the multiplier effect? That is what your model does?

Dr. Argusa: Right.

Ms. Yukimura: It establishes a multiplier effect for sporting?

Dr. Argusa: Well, yes.

Ms. Yukimura: For sports?

Dr. Argusa: Yes. For revenue that is spent during sporting.

Ms. Yukimura: You said there was a scarcity of reliable data. If you do not have reliable data, how can your model results be reliable?

Dr. Argusa: What we did was use estimations. I had to ask people approximately how many people there were, and if you look at slide, we broke it down into four (4) different categories of visitors. We used very conservative numbers.

Ms. Yukimura: Where are the four (4) categories?

Dr. Argusa: As you see here, we looked at overseas adults, interisland family, and then high school, and then the next slide I took the high end spender. Here you can see that according to Hawai'i Tourism Authority, here on Kaua'i, people spend approximately one hundred fifty-four (\$154.00) a day on total spending that they said on average, for just a regular visit. This is according to 2011 data because I was given this project in 2012 and they did not have 2012 data at the time.

Ms. Yukimura: Okay, but this is the results of your input/output or this is the data that you used in our input/output model?

Dr. Argusa: That is correct, this is how I determined it what data to put into the input/output model.

Ms. Yukimura: How did you determine the multiplier effect?

Dr. Argusa: The multiplier effect is 1.66. I used an input/output model that I have done.

Ms. Yukimura: A standard number for sporting events?

Dr. Argusa: No, for visitors. The specific model it is in line. When I used my input/output is in line exactly with what Department of Business, Economic Development, and Tourism (DBEDT) uses. The number was very similar. I gave it to you in the Appendix.

Ms. Yukimura: Does the model take into account leakages?

Dr. Argusa: Yes.

Ms. Yukimura: Okay. Then you said that we have to be consistent. Can you explain what that meant?

Dr. Argusa: Consistent in the way we collect data.

Ms. Yukimura: Okay. I thought you meant in the events that we have.

Dr. Argusa: No. You would just want to make sure that you collect consistent data; that you make sure that everybody who is collecting the data is collecting the same type of data, asking the similar questions. "How many days? How many people came that are not participating in event? How much did you spend on food? How much did you spend on hotels?" That type of data would be consistent. If you are asking me for a soccer tournament, you want to collect the same data for baseball and for the marathon, etc.

Ms. Yukimura: Okay. Thank you. Kōloa Plantation Days is not in and of itself a sporting event. It has sporting events that are part of it.

Dr. Argusa: Right.

Ms. Yukimura: Did you use data from the sporting events?

Dr. Argusa: The data that they gave me was for the whole event.

Ms. Yukimura: You used the data for the whole event?

Dr. Argusa: Yes, she gave me the whole event. It was very difficult.

Ms. Zachary: We were asked to consider recreation, as well as sporting events like the things that required participation. A rodeo, for example, has participants/competitors who are coming.

Ms. Yukimura: But you did not just use the rodeo...did you just use the rodeo figures or did you use figures from the whole event?

Dr. Argusa: Yes, the numbers I was given was for that and that number did look very high and I did try to...

Ms. Zachary: The number that he used was for the rodeo specifically because someone just going to the parade it would be hard to know, who were the off-island people at the parade? But the rodeo, the Kōloa Plantation Days provided the number of off-island people attending.

Ms. Yukimura: It was just for the sporting events that are part of the Kōloa Plantation Days, which would make sense. Did you take into account the costs of putting it on?

Dr. Argusa: No.

Ms. Yukimura: ...and whether it was public or private? For example, we use the Kaua'i Bus for the Marathon. Things like that.

Dr. Argusa: No, we did not include that.

Ms. Yukimura: ...and Police for example, and so forth?

Dr. Argusa: No, we did not include that

Ms. Yukimura: There seems to be an overlap between cultural...do you know how sporting events compare with cultural events?

Dr. Argusa: I know that in my experience that if you want to share, one (1) of the things you can do is share the unique culture of the location, if you have that sporting event, too. To make it unique, for instance, to make the Kaua'i Marathon different from for instance a marathon in Phoenix, Arizona, if you bring in part of the local culture, that makes that uniqueness and makes it a little more differentiated, and it exposes that visitor to the culture at the same time.

Ms. Yukimura: I am interested in the difference between cultural events attracting the off-island, at least one night visitor, versus sporting events. I just wondered if you had any comparisons.

Dr. Argusa:  
just cultural events.

No, I did not do that type of comparison on

Ms. Yukimura:

Thank you very much.

Ms. Nakamura:  
study.

That would be the subject of a separate

Chair Furfaro:

I am sorry, I did not get your first name?

Dr. Argusa:  
Jerry.

Jerry. My real name is Jerome, but I go by

Chair Furfaro: Okay. Thank you for a very, very nice overview as to what might be some of the marketing agendas, as well as some of the marketing *pukas*. I have a long history in resort business here on Kaua'i and, in fact, I was the General Manager of five (5) of the resorts here and over about a thirty-eight (38) year span. I think what I wanted to see something targeted here was more specific about events as it related to our high and low season. For example, people think Hawai'i is doing really great right now, occupancy wise, and you said it yourself, you cannot find a room.

Dr. Argusa:

This week here.

Chair Furfaro: Yes, but the first quarter on Kaua'i is the strongest quarter. Many hotel owners, as well as hotel operators, and there are a couple General Managers in the crowd today that used to work with me, they heard it from me before, "If you do not make it the first quarter, you do not make the year, you not make your budget." The variances are that big. Secondly, everybody knows, and I am sure I can share this with George because we both managed both the same hotel at one time. When you have a late Easter, it is often in concert with the tail of spring break, so you have a younger movement when that happens. When Easter is really early, your second quarter almost kind of falls apart because the two (2) breaks, the two (2) family breaks, are at different sides of the calendar. Then April, May, September through November, are really critical. That is why we have the marathon at the beginning of the September as group business has kind of fallen apart in some areas. There a lot of independent travelers. As we create these events for activities, I think we need to make sure that we target them to those seasons, because it is so important as we have inventory to spread the wealth. George and I recently have been talking about a swim challenge on Kaua'i as a new activity, but it would be ideal if it is kind of early in the Summer. Certainly a spot like Hanalei would be a candidate because you could not do it with rough water in the season that we need occupancy help like September through November, and then everything falls apart after Thanksgiving and before the Christmas peak. Are you working on projects that might show that template of a calendar with a template of suggested events? That is where I am going with this question.

Dr. Argusa: I agree with you one hundred percent (100%), Chairman, and you have it right. Due to your experience of working with hotels, you know that there are shoulder periods and ups and downs, and the valleys are so big. You have the Valley Isle, I have seen your occupancy in the newspaper listed. One (1) week you are at ninety-eight percent (98%) and then three (3) weeks later, you are down to fifty-three percent (53%). You have to make seventy-two percent (72%) just to break even. This is just the way it works.



Because of those big valleys, that is where I would target in sporting events. Like you mentioned for the swim, but the swimming challenge as you said, if the water is too rough, you could not do it. That is where you would look for other land events where you would put in those *pukas*. For instance, the Honolulu Marathon is always done on the second Sunday of December, and they originally picked that time because that was a shoulder period before the Christmas craziness comes. The challenge is for the last two (2) years is that there has been no shoulder. I has just been flat eighty-nine (89) or ninety percent (90%) all the way across.

Chair Furfaro:

For those dates?

Dr. Argusa: From Thanksgiving now to Christmas has just been high, over eighty percent (80%) on O'ahu.

Chair Furfaro: I have friends on O'ahu, and I used to manage the Moana Surfrider and Princess Ka'iulani. I would say you get to a point and you have to pay your bills.

Dr. Argusa:

Right, and you have to give people a break.

Chair Furfaro: I do not think anybody would disagree that the marathon has really helped them for those dates, but I just want to focus back on Kaua'i about working on a calendar, that looks like that for us.

Dr. Argusa: Right, I have not done that yet, but we could look into something like that. That is what you would do, just like you said. You would put outdates and look at the occupancy, and then you look at, "Okay, what type of vacations are available?" If you are looking for the youth events, you have to match the school year, and it does not have to be just the school year here, because now, a lot of the school systems are running on a different calendar. Some schools are actually running on full-year.

Chair Furfaro: I just wanted to ask in your scope, would you be able to make, for the group, a recommendation, about when are those pieces most valuable for us to add value by adding events and by funding events? That is what I think is something that should certainly be in the discussion moving forward. We do the marathon, and I tell you, you cannot believe how difficult it is to get people first to understand, what we are spending on the marathon, and then they do not realize that a hotel room is highly perishable. It is like fruit on a tree that rots. When the night is gone and there is no chance to make up that occupancy, that room night is gone. When we find an event that help those valleys, fill those rooms, it employs people, and housekeepers and so forth. We need to measure the result of our investment that way, but people do not necessarily see how perishable an empty hotel room is.

Dr. Argusa: It is just like when the airplane takes off, there are empty seats and you can never get back that money. It is gone. You cannot freeze it or hold it over, and the hotel is just the same, and every time a hotel night is not sold, you lose.

Chair Furfaro: I am back to my question, we have those empty seasons, is this plan going to address a template? I also believe that what we are experiencing now is also "pent-up demand." Everybody thinks that the resort is going gangbusters here. I think what is going the gangbusters is that the stock

market is at 14,000 again. There is a lot of pent-up demand because people did not travel.

Dr. Argusa: The Japan market too because that Government has asked them to travel again. Before, they did not travel since the disaster.

Chair Furfaro: I will keep my final question to this. Are you working on a calendar that would make some suggestions, not so much just about the event, but about when is the best time to have created a new event?

Ms. Zachary: What you are suggesting is a fabulous idea. However, it really is a bit outside of the scope of what we were asked to do. We were asked to look at current events and what is the economic impact of those current events just so we have kind of a baseline data. It is an excellent suggestion.

Chair Furfaro: You have answered my question, Diane and I think that is something that we need to do in future. Thank you for my question.  
Vice Chair.

Ms. Nakamura: That is what I was going to say, that I believe that the inventory is the first step. To learn the economic impacts and if it makes sense, and the body is agreeable, the next step is to do that type of plan and how do we have the capacity to implement it.

Chair Furfaro: Thank you, Jerry. Thank you very much.

Dr. Argusa: Thank you.

Ms. Nakamura: Councilmember Rapozo?

Mr. Rapozo: Thank you, Madame Chair. I am very sorry I had to step out and make a phone call, but slide forty-one (41) which was on the screen; and I am not sure if you went over it or not. But can you explain the different columns like the share columns, and the 2011 HTA numbers. Is that an average?

Dr. Argusa: Yes.

Mr. Rapozo: What is the share column?

Dr. Argusa: The share of how much of that money that person would be spending of the average for food and beverage. They said an average, they figured in Kaua'i, a person spends \$34.20 a day on food and beverage. An overseas traveler would spend more, because they are budgeted higher, while an interisland family person spends exactly one hundred percent (100%). Then the highschooler, they have a lower budget. That is where that comes from. If we look at the high end spending tourist...the next slide.

Mr. Rapozo: Yes, I am looking at that. I am trying to question the source of these numbers, especially for interisland and high school. When you are looking at lodging...

Dr. Argusa: Lodging at very low percentage, because very few have. Most of them only stay with family and friends. That is why if you have the teenage boy, soccer team or the teenage boy wrestling team, they can actually sleep in the gym.

Mr. Rapozo: In my experience, that does not happen. That is why I am trying to question where the numbers come from. I am involved with Pop Warner, more specifically. When those teams from Maui or O'ahu come, they all stay in hotels.

Dr. Argusa: They quad up or five (5) in a room?

Mr. Rapozo: There are four (4) in a room with one being an adult, so typically three (3). I know this, because we help them with their reservations. Even if quad them up at four (4), fifty dollars (\$50.00) times four (4), you will not get a room.

Dr. Argusa: Sixty dollars (\$60.00). That is HTA's number, sixty-two dollars (\$62.00) for the lodging.

Mr. Rapozo: That is per person. Right? The sixty-two dollars (\$62.00) is per person? Typically I would assume, and when you do the averages; husband, wife, two (2) children, four (4) people, that makes sense. You could find a hotel for one hundred and thirty dollars (\$130.00) a night.

Dr. Argusa: Right.

Mr. Rapozo: You cannot find a hotel for sixty dollars (\$60.00) a night.

Dr. Argusa: Right, because then you have to take into account the high schoolers that do not stay at any, but stay with friends and family.

Mr. Rapozo: I guess in my experience, I do not see it happening on Kaua'i. Maybe that happens on the other islands. I am not sure.

Dr. Argusa: That is very much so. The high schools transfer back and forth. They will have a tournament in O'ahu and everybody will just take family stay. Maybe Pop Warner football is different.

Mr. Rapozo: Yes, maybe. This is just estimates based on the HTA number?

Dr. Argusa: Correct.

Mr. Rapozo: But we do not know for a fact?

Dr. Argusa: No, I do not know for a fact if how that works with Pop Warner.

Mr. Rapozo: That eighty percent (80%) of the high school kids that come over to compete, and in fact, a lot of them are coming over on the morning flights and flying back in the afternoon because they cannot afford the hotels.

Dr. Argusa: That is probably another reason why that number is so low because that person counts as a visitor, but did not stay in a hotel, so you have to average that in.

Mr. Rapozo: Then that would make sense.

Dr. Argusa: Yes.

Mr. Rapozo: Okay, thank you.

Ms. Nakamura: The point, the Councilmember Rapozo, is that it might be underestimating the true Kaua'i costs.

Dr. Argusa: I have always used very conservative. I did not go high. This number might be lower than what it really is, but I always go conservative because when you go over, then you have sky high things, and that comes back...

Ms. Nakamura: Councilmember Bynum and Councilmember Yukimura.

Mr. Bynum: Let me make this really quick. You have a slide of the economic benefits Kaua'i Marathon that was supplied by the Kaua'i Marathon, and in the back, you have a different analysis done. Right? The Nordic Track?

Dr. Argusa: Right, I used the Nordic Model. That is the model I used.

Mr. Bynum: The numbers are similar.

Dr. Argusa: Yes, Sir.

Mr. Bynum: They are very close. The analysis we see from the Kaua'i Marathon.

Dr. Argusa: Very good.

Mr. Bynum: In your opinion, they are credible numbers?

Dr. Argusa: Yes, Sir.

Mr. Bynum: They are using good standards?

Dr. Argusa: They are using good standards and they used the right model, and showed exactly how they came about. They would get an (A). If they were a student, they would get an (A).

Mr. Bynum: Okay.

Ms. Nakamura: Councilmember Yukimura

Ms. Yukimura: Back to the chart that Councilmember Rapozo was talking about, on page forty-one (41).

Dr. Argusa: Yes.

Ms. Yukimura: The average per person spending, that does go across the categories, right?

Dr. Argusa: Yes ma'am.

Ms. Yukimura: These are all per person as well?

Dr. Argusa: Yes ma'am.

Ms. Yukimura: But for the sports person or the child that comes in and then goes back without staying overnight, that does not count because is your definition not for overnight visitors?

Dr. Argusa: Right. For overnight visitors. But that has to be counted in by number of people who came to play in the event. If you have a basketball team and you have fifteen (15) people on the squad, you have to count all fifteen (15).

Ms. Yukimura: I see. Thank you.

Ms. Nakamura: Just to summarize your findings, would you then say that the Kaua'i Marathon in and of itself generates at least half of the economic impact from sporting events because I see about three million (3,000,000) plus for the Kaua'i Marathon and a total annual for the State with the multiplier of 7.1 million. For the County, excuse me.

Dr. Argusa: Yes, ma'am.

Ms. Nakamura: So that gives us...see that is the kind of information that I think is useful to this body as we look at funding because we are really not giving funding to anybody else out there, direct funding. That is why this type of inventory is useful. It also tells me that rodeo brings in a lot of outside visitors, which is a surprise to me.

Dr. Argusa: Shocking.

Ms. Nakamura: Shocking and...

Dr. Argusa: I was shocked by that number of people.

Ms. Nakamura: Yes and that the triathlon is another terrific source that uses our natural beauty and we do not need facilities for this. If softball and baseball, while it may be lower numbers, have higher frequency of events. So, there are opportunities there.

Dr. Argusa: Yes, ma'am.

Ms. Nakamura: Also, the canoe Regattas there are multiple events. What you are saying that the female competitions...

Dr. Argusa: Seem to have the people that will stay another day or two (2) longer, especially the...I do not know what the proper word is

for mature, I guess, would be the women's group. They will come alone. They do not bring the family right way. They will come a day before I have found in my research.

Ms. Yukimura: And on youth sporting events where parents feel better traveling with their child is a huge opportunity, then for us?

Dr. Argusa: Yes, ma'am.

Ms. Nakamura: This is the making of our strategic approach to this industry. As the Chair mentioned, now we look at if these are those target areas, then how does that fit into the shoulder periods and then work with the Visitor Industry to then make these events successful and memorable for everyone. I think that is going to be a partnership between the County private sector to make it happen and the community. Thank you very much. Are there any other questions? Chair Furfaro.

Chair Furfaro: George, as we discussed last year about Kaua'i County as a corporation being able to apply and get an application for the inventory on the island and the star report, have we made any progress on that?

Mr. Costa: Yes, we actually did and I had it in this year's budget presentation. I did meet with Smith Tropical Research. They gave me a quote. I think it was about two thousand five hundred dollars (\$2,500.00) annually to receive that report.

Chair Furfaro: Terrific.

Mr. Costa: I can put it in the budget again.

Chair Furfaro: Well, thank you for following up on my request again and I hope we can get a good mix on the various inventory tiers on the island when we pick out what inventory we are asking for reports on. So, we will see that in the budget?

Mr. Costa: Yes.

Chair Furfaro: Thank you.

Ms. Nakamura: Any further questions? Well, thank you for flying here, for this report which I think is a good foundation for our policy making.

Dr. Argusa: Thank you very much for your time. Congratulations, A+. That is the best grade you can get. I will tell my class that tomorrow, maybe they can go for that...before they go to sleep.

Ms. Zachary: Thank you.

Ms. Nakamura returned Chairmanship duties to Chair Furfaro.

Chair Furfaro: Vice Chair, I will take over the meeting from here, and we are going to ask for public testimony. Mr. Mickens? Hi Glenn.

There being no objections, the rules were suspended to take public testimony.

GLENN MICKENS:

Hello Jay. How is your numbers today?

Chair Furfaro:

I might have to go without lunch.

Mr. Mickens: Bear with me, I have a testimony here. I have not had anything prepared. But I do have some input here I would like to go over. I am in complete agreement and approval of any sports and recreational areas on Kaua'i and I appreciate the fine presentation by Dr. Argusa. For me, three (3) serious concerns must be addressed with this project before it moves forward. First, the west side of the island where I presume this thing was planned for may be a good location for this project. But I believe that the Vidinha location would be far better. It is centrally located for all of those coming to participate in the events, hotels, airport, restaurants and rental cars, etcetera. So, I think that area will be far better. My second concern is the cost of funding for this project. Again, I completely support it. But should the funds not be in place before we move forward? I agree with Dr. Argusa one hundred percent (100%) that events like this baseball, soccer, softball could be a real boom for Kaua'i. I have no doubt about that. He showed these figures and I do not disagree with any of them. My third concern is the maintenance of this huge facility. I remember Councilmember Rapozo once telling us that took a baseball team to Maui and that their workout facilities were far superior to even our game fields here on Kaua'i. Baseball fields are a major job in taking care and I think Ross knows this. I did it for many, many years at UCLA. We need people, equipment, and knowledge to do this. As Ross said, unless our facility has first class lights, this venture cannot be done. Again, first class lighting is very expensive, depending on how far you want to go whether it is major league, triple league, double (A), or what lighting you want to put in the facility. Dr. Argusa mentioned basketball and again this is a great event. But we do not even have a gymnasium here on Kaua'i and again, Mel brought that up many years ago about a great facility with a gymnasium to play volleyball, basketball, all sports. In fact, they have one (1) on the mainland that has a floor that slides over top of a swimming pool. Beverly Hill High School, they have an oil well on their property. So, they have money. The floor slides over a top a swimming pool. If this project were ever completed have no doubt it would be a big asset for Kaua'i. Before we spend thousands of dollars on consultants or extravagant planning we should put our ducks in you a row. I love this plan. JoAnn, again, many years ago when she was Mayor propose such a thing as I remember in the Vidinha area. I told her at that time I was for it. But again, the money was not there and we are still looking at the same thing. I do not know who is going to fund this thing. Like the Dodgers got a billionaire to buy the Dodgers. We do not have a billionaire on the island do this. I do not think anybody on the island is any more pro-athletics than I am. But I try to live in the real world. Thank you, Jay.

Chair Furfaro: Glenn, before you leave, I want to take the opportunity and let you know that the Council recognizes your contribution to the sport of baseball and the history you bring and so forth. But what we are doing through the CEDS Program is to make evaluations. That is the first step, making evaluations. Līhu'e is very central, the deed of the parks. The questions about recreational accommodations and so forth are all part of the CEDS study. Another part of that that I can just share with you, you know, as everybody knows, KIUC and the County of Kaua'i got caught up in lighting issue with the Federal Government.

Mr. Mickens:  
talking about?

The shields on the lights, is what you are

Chair Furfaro: And quite frankly they had the possibility of six million dollars in penalties for the utility company. We are getting very close to having an understanding of the pieces that the Parks & Recreation has implemented where they make the criteria and hurdle what the Federal standards are. I think we have that coming up some time after March 20<sup>th</sup> or so and obviously it will then be in Mr. Kagawa's Committee. But we have some really critical issues out there about athletics, about fields, about central versus west side and also about lighting. So, we are just asking for patience.

Mr. Mickens: Right. As Mel pointed out before, he had a meeting at the Kapa'a New Park down there and they have maybe two (2) people to look after that thirty (30) acres there at the ballpark. It is horridly done. It cannot be done by a couple of people because a baseball field is a very intricate thing to be able to take care of properly.

Chair Furfaro: And understand those will be things in discussion at budget. I am sorry I cannot go there with parks maintenance because that is not the agenda item today.

Mr. Mickens: Right.

Chair Furfaro: But I wanted to offer the other pieces it is relates to CEDS.

Mr. Mickens: Thank you, Jay.

Chair Furfaro: Anybody else who would like to offer testimony? Come right up, Mr. Rosa.

JOE ROSA: I have said it time and time again, and just recently last year when the marathon... people come over to Kaua'i and yet there is nothing as far for them to do, especially the younger generation for social life. They asked what is there to go after dinner? Where we can go? What shows are available? Those are the things that they have been lacking for years. People come from Japan and sometimes ask, "Do they not have any kind of hula shows?" The question is where? There is no Coco Palms. There is no Club Jetty. There is nothing for night life and that is something to look into because the younger generation, they come here, and I would say they do one (1) marathon and that is it and say Kaua'i has got nothing. I even look at the Wheel of Fortune. What does Kaua'i Visitor's Bureau promote? I do not know. I see they gave projects to go Waikoloa Hotel, they go to Maui, they go to Honolulu, and nothing on Kaua'i. No Princeville...what is being done for Kaua'i and yet, millions are spent for tourism. Where is if on Kaua'i? Kaua'i is dead. All of these people come once and that is it. That has been way back when I was a youngster. They used to say where is the nightlife? Before we had Club Jetty. Today you have to go around and it is all secured at night. So, those are the kind of things that you have to think about. We give hundreds of thousands of dollars to KVB for promotion and helping them out with marathons and everything. Yet, the marathon is not self-sufficient. So you know, we cannot be just giving money, money and nothing is being done locally to make everything self-supporting. I would like to see things, sure. But we cannot be paying out when our senior citizens are being neglected. Like I have been hearing time and time again as I go around the area here on Kaua'i. So, take care of whatever needs to be done first. You know, those are the kind of things, as I say, I go out. I do not know about you Council people if you go out and spend some time.



Maybe Ross when he was young and now he is a family man. But I used to spend my time and I see a lot of things that tourist sees. That Kaua'i does not have much to offer for social life. That is the kind of thing that they have to look into.

Chair Furfaro: That is your first three (3) minutes. You can continue.

Mr. Rosa: I understand, Jay. Those are the kind of things that they have to look at. Like I said, in Lihu'e, there are no cheap hotels other than you go to the Marriott or you go to Beach Resort area in Waipouli. Tiptop is always full. You cannot get anything for the weekend. There is no kind of cheap family operator like Tiptop that has been around for a while. You know, those are the kind of hotels that need to be around here besides those high price luxury hotels. So, those are the things that the Committee has to look into why they cannot come? It is the cost of facilities for boarding plus the social life or nightlife and good family eating establishments. That is why I refer to them Barbeque Inn or Tiptop that has been around as long as I have. I thank you.

Chair Furfaro: Thank you, Joe. Joe, may I encourage you, if there is information that we need to get over to the Administration regarding some of the Senior Programs, I would certainly be glad to meet with you.

Mr. Rosa: Yes. I told them I was going to see somebody to look into helping the seniors because they are complaining about paying monthly water bills and said, things like that come up and it is a joke. So, there is no hearings or meetings.

Chair Furfaro: Joe, I cannot discuss it because it is not on the agenda. I am saying if you want to talk, I will make myself available and we can send something over to the Administration.

Mr. Rosa: That is why I said, Jay, that is the kind of thing I can bring forward.

Chair Furfaro: I will be happy to meet with you, Joe.

Mr. Rosa: Thank you.

Chair Furfaro: And Joe, if we get this Star Report, this Star Report will break down the various levels of inventory we have from one (1) star to five (5) diamonds. It will tell us a lot from that report. I heard your other comments about the accommodations. Thank you.

Mr. Rosa: Different groups and agencies come here and mentioning the school kids, of course, the bars or liquor establishments will not make money. You have to look at what kind of tourists are coming here?

Chair Furfaro: I will share that with you when we see the report next year?

Mr. Rosa: Thank you.

Chair Furfaro: Anymore testimony? Well, we are going break here in just a few minutes. I do want to take advantage of having so many

marketing people in the audience and thank them for their work. Obviously, through George, through Po'ipū Resort Operators Association, HVB and our average rate on the island is up nine percent (9%). Our occupancy is up seventeen percent (17%) and those are accomplishments that are much appreciated. I think on that note, did you want to add anything? No? Okay. Members, I am going to call meeting back to order.

There being no further testimony, the meeting was called back to order and proceeded as follows:

The motion to receive C 2013-65 for the record, was then put, and unanimously carried.

Chair Furfaro: On that note, it is ten (10) of one (1) and I would like to see if we can be back at ten (10) of two (2), we do have to take public testimony.

Ms. Yukimura: Will it work for the visitor people or should we just have them for ten (10) minutes presentation at least?

Chair Furfaro: I asked if there were anyone who was going to... were you going to make a presentation? How come nobody raised their hand, George? Do you want to use the ten (10) minutes, come up now.

Mr. Rapozo: Mr. Chair?

Chair Furfaro: You are going to use the time now, come up now.

Mr. Rapozo: Mr. Chair, I just want to remind everybody that we have 1:30 public hearings as well.

Chair Furfaro: I already said that in the beginning of this meeting that public hearings are now going to be at 2:00.

Mr. Rapozo: Oh, okay.

Clerk: We are on page two (2) communication C 2013-66.

C 2013-66 Communication (01/09/2013) from the Director of Economic Development, requesting agenda time for the Kaua'i Visitors Bureau to provide an update and presentation of the Kaua'i Visitors Bureau Consumers Promotion Grant to assist marketing efforts of East Kaua'i's Royal Coconut Coast Resorts and Businesses.

Chair Furfaro: George, you may come up. And George, I do know that you understand our rules but we are required to give our Staff a break.

There being no objections, the rules were suspended.

Mr. Costa: Yes. Aloha, I had a lengthy introduction but in the essence of time, I would like to call up Sue Kanoho, Director for the Kaua'i Visitors Bureau to present an update on the Consumer and Product Enhancement

Grant that we had in the Office of Economic Development's budget for the Fiscal Year 2011-2012 and specifically a grant of seventy-five thousand dollars (\$75,000.00) to help provide an economic stimulus for East Kaua'i Resorts and Businesses as we refer to now as the Royal Coconut Coast.

SUE KANOHO, Director for the Kaua'i Visitors Bureau: Aloha. Thank you. I will go quickly.

Chair Furfaro: Are you all anticipating being back here after lunch?

Ms. Kanoho: I can be.

Chair Furfaro: We are going to take the full agenda on our items. But we are required to take a break for our Staff somewhere between 12:30 and 1:00.

Ms. Kanoho: I just wanted to give you a couple highlights that we had just as we finished up the year. So, calendar year 2012, I wanted to point out that we actually had honeymoon vacations are up nine point six percent (9.6%) driven by the Japanese visitors who are a strong part of that. Cruise ships were up sixteen point one percent (16.1%). When we finished the year out for Kaua'i, we were up seventeen point three percent (17.3%) for a million, eighty-four thousand, eight, sixty-eight (1,084,868). Expenditures are up twenty point one percent (20.1%) and visitor days are up seven point five percent (7.5%) and the length of stays are pretty much flat at seven point five (7.5) days. The per person per days spending were up eleven point seven percent (11.7%) to a hundred and seventy-two point seventy. We do run with a very high repeat business for the island of Kaua'i. We have more flights than we ever had before, up twenty point one percent (20.1%) with non-stops to Lihue. We just launched Portland and we will be launching San Diego in June and Travel/Leisure just gave us the most romantic island in the U.S. So, that was nice of all the Hawaiian islands, so that was very, very nice. I have for you but I will not do it now but just two (2) Elvis events tying into the 50<sup>th</sup> Anniversary of the movie and then also for Coco Palms and then also the most recent event which was very successful. I did want to acknowledge you the... we got a (inaudible) award which is a public relations award and very prestigious and that was for the American Girl Project that you guys funded us for. And so it was nice to see the recognition for the program for that. The film promotions have been successful acknowledging the film crews that were here and then thanking them and then the Kaua'i Made Promotion as well.

Canada blitzes have been working well for us, our numbers are up and very excited to see Canada continues to grow for us of we did two wedding and honeymoon shows, also reinforcing the romance message. Really what we are here for today is to talk about the Royal Coconut Coast Marketing Support. George and I heard that Eastside of the island was still experiencing challenges and we put our heads together and addressing occupancies of the Princeville and Po'ipū and even on the Westside. We looked at the success of the Po'ipū Beach Resort Association, and Margie Parker who has worked with us before who is now a Professor in Oregon and so we came up with the concept of doing this and I actually brought on Tsunami Marketing, Val Recquard and really she is the one who has done a lot of work on the island for branding and actually done a lot of work in that corridor with Kamika Smith in Smiths Family. I am going to hand it over to her for a few minutes to give her updates.

Chair Furfaro: You do understand that I do not want to rush through this?

Ms. Kanoho: I know.

Chair Furfaro: I just wanted to make sure you understand that.

Ms. Kanoho: It is just that they have to get back and so I...

ROBERT RECQUARD: Thank you, Council for having me here today and this is Valerie Recquard, and we are from Tsunami Marketing. As Sue said, we have done a lot of marketing for clients on Kaua'i and have been doing it for twenty (20) years and we work a lot with Po'ipū Beach Resort Association, Smith's, pretty much... you have seen our work everywhere. If you do not recognize us, you will certainly recognize our work. We have put together a presentation, Marketing Approach or I should say Marketing Plan for the Royal Coconut Coast Association and the goals were to increase the destination awareness. The Coconut Coast is kind of overlooked that we thought underleveraged visitor destination and so we put together a program to help them increase their awareness.

Chair Furfaro: Excuse me, Robert, can you give a definition of the boundaries for the Coconut Coast now as well as are they made up with the Boards of Directors and who are they?

VALERIE RECQUARD: It is from the Wailua Golf Course to Keālia Beach.

Chair Furfaro: Okay.

Ms. Recquard: That is the corridor that we are working within. We are also have six (6) members of the newly formed RCCA Board here with us today as well.

Chair Furfaro: Is the County of Kaua'i a member of yours since our Golf Course is in the mix?

Mr. Recquard: Currently, they are not a member on the website and that is all I am privy to.

Chair Furfaro: Fine. I can talk with George about that later and try to increase some membership there.

Mr. Recquard: The first thing we did was a brand position and that was a two (2) day seminar. We worked with the Board to define what it is that makes the Coconut Coast unique, what are the challenges that we face in marketing? What are the opportunities that will be arising? What are the conditions? There are some things you can do about and there are some things you cannot and that is the nature of marketing. We are here to create a better communicate that will resonate with visitors. That was the service that Tsunami had donated. So that was our six thousand dollar (\$6,000.00) contribution to the project. The final brand position is just the very back page of it. And really, the brand position is actually a document that outlines all of those things which were

discussed. And the real thing that makes Coconut Coast different is its convenience to resort destinations for savvy travelers who want to be close to everything that Kaua'i has to offer: the history, culture, shopping, dining, nature, and activities. That is the message put out on our website and advertising in order to leverage that thing that made us unique. We do not have the Napali Coast and we do not have Po'ipū Beach, so we got to have something else to gravitate to and that is the convenience of the area. The next thing we do as parts of our brand process is to create a style board.

Before any marketing is created, we put together this Board and so the RCCA Board could then ratify that and say that is the kind of stuff we want to talk about. These are the kinds of images that we would use, these are the things we will leverage and it is the Coconut Palms and the history of the area are really the things which makes us unique and unmatched. The next project we did and we are going through this pretty quickly, but it is okay. To create a logo mark and the budget was twenty-five hundred bucks (\$2,500.00) and the final result - this was after final rounds of iteration with the Board. There is the approved logo mark and we have been using that on their advertising materials and soon it will be on letterhead, envelopes, and business cards, but now it is on the website which is our next project that we will look at.

Photography – because you need great photography to promote visitor destination, you cannot just say “Kaua'i is beautiful” that does not really work. We went and did a photo shoot, initially the budget was seven-five hundred (7,500.00) and as we saw the need for a website that would grow and for marketing and public relations images, that budget was increased to fifteen thousand (15,000.00). That was a couple days photo shoots with models, and so we have an inventory of stock photography that we can pull from, some of which you see on the left hand side bar of the slide. We shot some of the things that we could leverage – the farmers markets, the Wailua Golf Course, shopping, and of course Wailua River is kind of a key component or differentiator for the area.

The next portion of our Marketing Program was the Website and Search-Engine Optimization Program and the goal was to build a website that would highlight the members of the area attract more visitors to the area and build awareness of it. And that is the Search-Engine Optimization, six months of technical support and training are all standard things that we do for our clients.

Ms. Recquard: And it has a member database that they can leverage too for other opportunities that might arise for marketing purposes as well.

Mr. Recquard: I will show you what that looks like... this is the analytics, which is how much traffic it is getting. Traffic is gradually building. It takes a while for a brand-new website to build up organic traffic. Currently, yesterday was our best day, with fifty (50) visitors to the website. Each visitor is going to several pages, two point eight (2.8) pages per visitor and that is pretty good for any website and they are spending about two (2) minutes there. So visitors are getting the awareness that we were hoping to get out of their visit to the website. This is how the website looks. It has got a whole bunch of pages. I think there are twenty (20) plus pages of information there and that covers a wide range of topics, everything to do, accommodations, restaurants. The slide on the right-hand side shows the members. So each of our members has information about their business, with links to their websites, their Facebook pages, all of their social media, twitter, et cetera. Anything that the members want to have included there.

That goes along with it. We also have interactive map of the area that shows the position of all the members. And that is going to become more useful as our membership improves? Right now we have twenty-one (21) members on the map. We have not done a membership event. It is just gotten rolled out and so that will improve as time going forward and we get a bigger membership basis.

Ms. Recquard: We are looking for a membership event sometime next month.

Mr. Recquard: The screen on the right hand side is the backend interface which is something that the RCCA can use to edit the website as they see fit. Currently, we are making any updates that they need but it is really easy to use, that is one (1) of our criteria. The next component is Google program. Because the website launched basically out of nothing, really does not get much web traffic. We have a Google Ad Words Program, so people who are searching for terms related to Kaua'i or accommodations, or the Eastside... then their advertising will show up in Google and they will click on those ads. That is campaign management is part of it and then the other part is the actual paying for the ads themselves. That campaign is consistently revised on a weekly basis where we are trying to get the highest quality visitors for the lowest cost per click. So, that is an ongoing process. Right now about fifty-five percent (55%) of the website visitors are coming from Google Ad Words, so it has been a really good investment to drive traffic and at some point I do not expect that would taper off as organic searches go up.

Ms. Recquard: Not the number of people clicking on ads would decrease, but the percentage of people coming from organic traffic would increase, so it would not look skewed.

Mr. Recquard: I would expect the amount of money that you send on Google Ad Words to go down in the future at some point. The other thing we do is monthly updates. We are available to update the website and keep it current. Currently, we have twenty-one (21) members, I have mentioned that. There is a Facebook Program, there is themed calendar, we do weekly updates and post and so far there has been thirty-two (32) updates. Last week we reached three hundred and thirty-four (334) visitors and there has been a lot mentioned already in this meeting of social media for promoting Kaua'i is a destination, so we are trying to leverage that. That is how the Facebook page looks and then there is a chart of our visitor interaction. We had one (1) really huge week there in the middle. That kind of skewed our chart there.

Chair Furfaro: How much more on your presentation?

Ms. Recquard: This is our last slide actually.

Chair Furfaro: Good, we might have a few questions for you.

Mr. Recquard: Terrific. The next thing, which was just approved was Public Relations Program, Margie Parker is working with the RCCA to develop press kits and do new releases and events page and managing requests for information and images. The goal is to get travel publications to start referring to as you the Royal Coconut Coast and to use some of our photography that we have shout and that is all.

Ms. Recquard: Thank you for your time.

Chair Furfaro:  
residents, are you not?

First of all, my apologies, you are Kaua'i

Ms. Recquard:

Yes, we are.

Chair Furfaro:  
timeframe?

But you are going to Honolulu? You have a

Mr. Recquard:  
to get back to our business. That is our timeframe.

Yes, they had to go to Honolulu, and we have

Chair Furfaro:

You will not be back after lunch?

Mr. Recquard:

I did not expect that we would.

Chair Furfaro:

May I ask you a couple quick questions?

Mr. Recquard:

Absolutely.

Chair Furfaro:  
relate to the Royal Coconut Coast?

How does the Kapa'a Business Association

Ms. Kanoho: We sent them an E-mail and we would like to present to them. We have asked to see if we can get in front of their Group to present what we are presenting to you. We came to you first and then we would get out. This is kind of the launch to you first, since you funded it and then we would go from there. We have contacted Andy (inaudible), the President, so we are going to try to get in front of them.

Ms. Recquard: The Business Association seems to be more associated with the actual business function on a day to day basis, where we are focusing more on the visitor industry aspect of it.

Chair Furfaro: Just a little history there so you know, the original President of the Royal Coconut Coast and the marketing guy was Dan Dahle.

Ms. Kanoho:

Correct.

Chair Furfaro: And I was the President. And it goes back and forth. We got the Royal Coconut Coast, we got the Kapa'a and their signature event is the Coconut Festival.

Ms. Kanoho:

Right.

Chair Furfaro: I would like to say that there might be a chance to invite you folks back in a Committee Meeting once you get an update for us on the membership and the important part for me is certainly how these two (2) destinations of Kapa'a Town Business Core and the Hotels see themselves?

Ms. Kanoho: I kind of staved them off because I wanted to get to you first, so you could see the work that had been done.

Chair Furfaro: I appreciate it that but I very much misunderstood the agenda today as to the time and we had two (2) legal sessions this morning and that went on for a little bit more time than allowed. Please, accept my apologies on that.

Ms. Yukimura: Thank you. First of all, thank you to Tsunami Marketing for your initial donation of the workshop and thank you to your members for this kind of unity and new initiative. It is very exciting and I think you have a good product to sell. I just wondered procedurally, I know that they have to leave, but you will come back?

Ms. Kanoho: I do not think the others can stay because they are General Managers of properties.

Chair Furfaro: So they are their own boss?

Ms. Kanoho: I am lucky to have gotten them here this morning. I can jump out and they can come up, if you want to talk to them. I kind of blocked my day for you.

Chair Furfaro: We need to do this by contract for our Staff.

Ms. Yukimura: I just wanted to be clear is to whether we would close this item now or leave it open for you to come back, that is all.

Chair Furfaro: I plan to leave it open but I want to make sure you understand, when we come back, we have to have a public hearing and then we will go to your item and then at 2:00 we have certificates to give out too.

Ms. Kanoho: I will be on standby.

Chair Furfaro: On that note I apologize. But at the same time, thank you very much for the short presentation that you gave. We have your PowerPoint. But we need to break to lunch. We are going to break for lunch. To the Clerk, because be back at 2:00.

There being no objections, the Council recessed at 1:06 p.m.

There being no objections, the meeting was called back to order at 2:34 p.m., and proceeded as follows:

Chair Furfaro: Members, I want to go over a few housekeeping items with you. As you know earlier this morning, I read from my notes the order of the day, remind you folks at 3:30 we have our Attorneys here for a third matter on today's agenda and he needs to catch a plane, so we need to be at Executive Session by 4:00. We have two (2) additional Executive Sessions later in the... what I am going to say now is the evening. Let us finish up on the item that we had earlier when we asked communications C 2013-66 regarding the Coconut Coast and the Hawai'i Visitor Bureau's presentation. Can I ask Sue if you can come back up please? Thank you very much for coming back. Sue, do you want to continue with your presentation?

Ms. Kanoho: That was the presentation and so if you had any questions, I did just handout an article that came out yesterday prior, relevant



to the first presentation in the morning about sports and the marathon and so if you see that it is ironic that it ties into the report about natural beauty and the fact that the marathon has been acknowledged as one (1) of the top seven (7) scenic marathons, so that was kind of nice to see.

Chair Furfaro: Sue, I do want to ask that perhaps you pursue this discussion a little bit with George on the possibility of a swim event.

Ms. Kanoho: Yes, I heard about that.

Chair Furfaro: And certainly it might fit in the calendar especially during the period of non-surf in the early summer. I would ask you to pursue some dialogue with George.

I just wanted to say that we are delighted to see you, Margie and all of us remember your commitments to Kaua'i and especially since the comeback from the hurricane, if I could say.

MARGIE PARKER: Thank you.

Chair Furfaro: Your efforts were...

Ms. Kanoho: She is a Professor now.

Ms. Parker: Part-time. Actually I have been working with this Group since last June.

Chair Furfaro: Okay. Well to the part-time Doc... good to have you with us.

Mr. Bynum: Sue and Margie, thank you for your presentation. I did not know until today that you were involved with this Margie and that is great. They got an experienced and *akamai* consultant there. I kind of miss the Royal Coconut Coast because it used to be an active membership place.

Ms. Kanoho: It was.

Mr. Bynum: And as a long time resident of the Coconut Coast, I am thrilled to see it back. I supported us funding it and so this is a good update. I just have some logistical questions and I will go through them really quick. You mentioned twenty-one (21) members, are those all hotels or...

Ms. Parker: There are ten (10) founding members which are the Resorts – Condominiums and Hotel Resorts. They are the founding Board, they are the ones putting money on the table which they actually did last fall to get it going. They started to extend membership to other businesses and slowly brought a few in but they were waiting for today's meeting.

Ms. Kanoho: At my request.

Ms. Parker: To be official. And so the news release is scheduled to go out tonight.

Mr. Bynum: Great.

Ms. Parker: Since I wrote it and they are planning a membership kickoff event, I believe for March 12<sup>th</sup> or 14<sup>th</sup> in which they are going to invite all the businesses that they think will be interested in the area.

Ms. Kanoho: The intent was to try to get all the pieces together so that when you presented it to somebody to say here is what you will get for being a member, we needed the website, we needed the photography. We took all the time to kind of get it ready to go and so now is the launch but again, they wanted to go and I said "could you please wait until we went to County Council because I think it is only fair that they see the work that was done with the funding."

Mr. Bynum: And that is where start of funding really helps, right?

Ms. Kanoho: It does.

Mr. Bynum: To get that stuff so when you are looking to broaden your membership, they already see some benefit to that.

Ms. Kanoho: And they made a commitment financially as well, individually.

Mr. Bynum: Are there levels of membership? Like if... would you want a small business in Kapa'a – an Entrepreneur to be a member?

Ms. Parker: It is interesting this Group – the Po'ipū Group has all kinds of levels. This Group has a basic per room or per Timeshare level – charge per year. They also will be extending memberships to the larger investors in the area like Smith's or the Market Place at a negotiated rate, basically. Everybody else this year, they want to just charge a hundred dollars (\$100.00) just to bring as many organizations that will support the organization in as they can and go from there. Their intent right now is to create a cohesive large Group and I admire them for that. I think that is good thinking. For those of you that knew me as my role down on the Southside, we enjoyed a lot of support and the Southside enjoyed a lot of success. One (1) of the key elements of that was the commitment of the Board on the Southside. Those Board members put their money on the table year after year. Well, what you have done as a County, you spurred that commitment but they are truly acting as the horse now, they are going. It is my feeling that it takes that commitment to make it work. Sue, has got a good set of spurs on her and they are ready to move forward.

Mr. Bynum: I think this is a very positive development for the Eastside and for the island in general. You have answered my question, that is an inclusive... because everyone, virtually all the retail businesses is part of the visitor industry, right by this definition?

Ms. Kanoho: So it will be the story of that corridor so that we can... Margie is going to be helping with all the Public Relations (PR) part of it. The more members that we have that we can talk about, the better it is going to tell the story of the Royal Coconut Coast.

Ms. Parker: And as the money – they put me in charge of money and marketing.

Ms. Kanoho:

And I am stepping out.

Ms. Parker: It has been interesting for me to shift over to the Eastside and really look at the Eastside with a more microscopic eyes on its attributes and qualities and at the sense of it is a destination. I have to say, that bike path is fantastic. That is the necklace. I mean that is... bravo. That is a really cool thing, that really helps ties the destination together. The renovations that are going on, the way Keālia Beach Park with the additional pavilions that have gone in there, the restrooms... what they are doing at Lydgate, the new little restaurants. Even the food trucks – as long as they are legal... it is a happening place, it is a great destination. It has been really enjoyable for me to be able for me to explore and really see.

Mr. Bynum: And I would add to that list – the Lihi. That was just a big dirt field and so this is some good examples of the County and business collaborating to improve the destination and it impacts, obviously the visitor industry. I think the east side now is a destination because of some of these factors. Not just this place you stay to go into your car and travel. I think I want to pat the County on the back and the Parks Department for having that vision to say, "Hey we can, without a huge investment, turn what was a big dirt field into a new park, a place." So...

Ms. Parker: Yes. I have been researching the destination for six (6) months now and you guys have really supported a lot of good stuff over there.

Mr. Bynum: Well, thank you very much. Thank you.

Ms. Parker: Yes. Thank you.

Chair Furfaro: Council Vice Chair Nakamura.

Ms. Nakamura: Thank you, Sue. Thank you Margie for your presentation and to see the County's investment pay off in terms of some concrete products is very gratifying. The brand seems to make sense for this area. The logo, the story board, and the website are specific products that are just going to move this organization along. So, thank you for all the thought and effort that went into that. I have a question about the ongoing mission. Is it a 501 (C)3?

Ms. Parker: It is a 501 (C)6. They have completed all of their paperwork and ruled and recognized in State of Hawai'i as a non-profit corporation. Their IRS filing was submitted in December. So, they are on their way as a 501 C6.

Ms. Nakamura: The mission, is it focused on marketing or is it just the overall improvement of the area?

Ms. Kanoho: Right now it is marketing. So, that is the goal. We are aware of some other issues in that corridor. In fact one (1) of them in is the coconut trees and so they are aware of it. But then again, it is one (1) of those things where they just need to kind of get their legs established first and then they can venture off to other things. At some point I know Jay and I talked about signage and things like that. Those will come. It is just I think that they really need to get recognized for what they are trying to do before taking on too much.

Ms. Nakamura:

Sure.

Ms. Kanoho: Initially, it really is going to be marketing. We see that hopefully the partnership with the Kapa'a Business Association and what they are doing in complimenting each other. The organization has joined the Kaua'i Visitors Bureau so we will be able to help them as well. It is all in partnership to lift the whole area up.

Ms. Nakamura:

Thank you very much.

Chair Furfaro:

Anyone else? Mr. Hooser?

Mr. Hooser: I have a long list of questions for Ms. Kanaho. But I think I will hold off on those.

Ms. Kanoho:

Now I have competition.

Mr. Hooser: Well, I want to just applaud you for your effort. I think it really good. I live in the area, like some of us do. I have property in Kapa'a town and I am on the Board of the Kapa'a Business Association also. So, if I can help outside of this room, please let me know.

Ms. Kanoho:

Thank you.

Mr. Hooser: But it is great to watch the First Saturday events in Kapa'a town and then to see the growth, as you mentioned, the new vitality, the timing is great and thank you. Let me know how I can help.

Chair Furfaro:  
right ahead.

Anyone else before I summarize? JoAnn, go

Ms. Yukimura: Yes, first of all, Sue, thank you for your listening ear, your eye for opportunity, your real dedication to serve the visitor industry, and then seeing the eastside with their need as well as their possibility. Thank you very much for that. You really help us use the County money well. Then Margie, of course, it is so good to have you on board with your expertise and enthusiasm. I just wanted to piggy back on what you said about the multi-use path. I love that it was part of their...I guess this is not the logo, but part of the...

Ms. Kanoho:

It is kind of branding a little bit.

Ms. Yukimura: Yes, part of the branding. But it does represent, I think, Council Vice Chair Nakamura said that too, that it is County investments and they are paying off now. We are getting a return on investment for our industry, as well as for our businesses. The only other thing I wanted to say, I guess this is not a question. But after coming back from the Smart Growth Conference, this brand position about convenience and closeness to everything, that is really smart growth. When things are within walkable/bikeable distance and we have been told, that is the new norm for visitor destinations. You know, that is what...people do not want to be in their cars a lot when they are on vacation. They do that enough when they are at home. So, I thought that was really fascinating.

Ms. Parker: Tsunami Marketing did an outstanding job with the program positioning and what they came up. There look at strengths, weaknesses, and comparatives and they really did a good job.

Ms. Kanoho: I have to acknowledge Sandy Kato-Klutke who was in my ear about eastside. She has spurs too, you know.

Ms. Yukimura: We know.

Ms. Kanoho: So, she said everybody else seems to be doing well and we could use some help. So, really if Sandy had not spoken up I am not sure I would have gone that route. I appreciate her speaking up for the eastside and not just for herself, but the whole corridor. I have to acknowledge her and the other partners that come underneath that.

Ms. Yukimura: Yes. And I do not know, it also may be part of the whole wave that is hitting the island in terms of great numbers. But I know Peter Sit said, yes, their numbers are up too and they are so happy to be part of the prosperity that is coming to the island.

Ms. Kanoho: This weekend we are sold out as an island, definitely. So, President's Day weekend holiday, it is a good thing.

Ms. Yukimura: Great. Thank you very much.

Chair Furfaro: Mr. Kagawa.

Mr. Kagawa: The other day, yesterday or the day before, I saw an article, a press release actually from Senator Hirono. She is trying to brace us for some possible bad news regarding the Federal Government contract jobs such as on the base. She is saying there is a lot of uncertainty and we may face some loss of jobs. It is even more critical that we be on top of our game when it comes to tourism because that is the constant that is strong for Kaua'i. I think you guys organizing the Kapa'a side is a great idea. You have Margie with a lot of experience in Po'ipū. So, it is a great choice. Thank you. I hope for the best. I just have one (1) question because I kind of missed that part where I guess the Council funded. But did it start off because there were, I guess, some hotels that were not really got having a marketing plan?

Ms. Kanoho: I think it was more that in light of the downturn of the economy, I think everybody remembers you came on Council though, they had a million dollar stimulus package and we felt that that program seemed to do fairly well for the island. But the Kapa'a corridor was still not probably as strong as the other areas were. So, we really recognized that that area needed extra help. It is kind of like right now for us and the neighbor islands that Big Island was still struggling with their occupancies over there. So, we kind of understood that they were getting a little extra attention compared to us. We are okay with that because, again, the whole being healthy and strong is a good thing. So, same thing with the Kapa'a corridor where we realized when you check around the island, everybody was in pretty good descent shape. They were not in a strong as shape as some of the other properties were. So, it really became evident that what do they need, what would help in the moment and that is where the concept came. As Council Chair said, there used to be – it was Royal Coconut Coast Association that exist before. We took out of the "Resort" part in that we wanted to

be more inclusive so it was not just property driven. It was more all inclusive. It was all properties and not just resorts. It did exist before. I think it worked pretty well in its day and now we are going to try and revive it. Now it is the Royal Coconut Coast Association.

Mr. Kagawa: Thank you. I guess, last question I have is it is no secret that we have a lot of illegal vacation rentals on the East side. Is there concern on your part that maybe we can help to, I guess, attack that as a County. I am sure that it has taking away some of the business from our condos and hotels there on the East side.

Ms. Kanoho: I think that is a bigger picture question for the whole island as opposed to just East side. I think if you approached that subject regardless of the area that they are in, that would be a good approach and we will support you in that.

Mr. Kagawa: Thank you for your presentation.

Ms. Kanoho: Thank you.

Chair Furfaro: Well, I am going to summarize and obviously the Hawai'i Hotel Association actually changed their name too to be inclusive of all partners. So obviously, I think if the Royal Coconut Coast Resort was still operational it would have probably changed gears as well. On the issue about the time share question, I do ask you please, those Timeshares that are legitimate have an application number and so forth. Be very cautious that they try to leverage using the distance without being licensed.

Ms. Kanoho: Good point.

Chair Furfaro: That is a concern.

Ms. Parker: That is a very good point and for other members and activities as Sue brought up the issue with food truck want to join and making sure that they have their licensing and their permissions.

Ms. Kanoho: For anybody else.

Ms. Parker: For any business.

Ms. Kanoho: I told her, just because they are there, does not mean it is legal. But we need to make sure we are doing it the right way.

Chair Furfaro: Again, I just want to caution and make that request. Obviously we have a golf course there which is a recreational item. The biggest asset in our parks inventory.

Ms. Kanoho: Margie has an idea for that.

Ms. Parker: Actually John spoke to Jay.

Chair Furfaro: We will be going out with a questionnaire that was just formulated by my Staff to get some feedback.

Ms. Kanoho:

Oh, good.

Chair Furfaro: But, I like the idea that you are looking at the County with that recreational, maybe food facility as being a member of the destination. There is a lot of neat things happening in that corridor. The fact of the matter that John Duponce is one (1) of the General Manager. I do not know if you know that, but when I was a General Manager at Sheraton Moloka'i, John was my head of sales.

Ms. Kanoho:

Oh, I did not know that.

Chair Furfaro: So, he comes with a sales background, a marketing background so that is a nice addition. The investment that Marriott made in the courtyard, another great effect on the image of the destination with a great brand. Islander cosmetically, they got a new front entrance sense of arrival. All new painted public areas and it is very nostalgic of the Coconut Coast. Then recently as you know Wyndham is a brand, largest growing resort company in the United States at present, will be making an entry on the Coconut Coast. So, you have another brand name there. Then you have the regulars with Aston and Sandy's participation. So, really some good things going there. Then the physical attributes, the bike path, definitely a very big plus for the destination. So, just want to very, very much to you, thank you and good luck and after you get through some of these pieces we will have the opportunity to have Tsunami Marketing back to tell us as you see what outcomes are there with the Kapa'a Business Association.

Ms. Kanoho: are. Yes. That would be great.

Right like the baseline and then where we

Chair Furfaro: We will certainly have you back. On behalf of the County and the Council, thank you very much.

Ms. Kanoho: We would not have existed without it.

Thank you. Well, thank you for your support.

Ms. Parker:

Thank you really.

There being no objections, the meeting was called back to order, and proceeded as follows:

Chair Furfaro:

Okay. Members?

Ms. Yukimura move to receive C 2013-66 for the record, seconded by Mr. Rapozo, and unanimously carried.

RICKY WATANABE, County Clerk: Chair, we had a request to move C 2013-38 until the end of the calendar until the Deputy Director of Finance returns from O'ahu.

Chair Furfaro: Okay, that was my request that I wanted to share the rationale real quick. We are going to be able to cover the questions raised by Mr. Rapozo as it dealt with the records. But they are both in Honolulu and on the financial statements, the request came from the new Finance Director if we could ask to defer that because he wants to be present to go over the financials and he is in Honolulu. The financial one (1). I do not have my numbers.

Mr. Watanabe:

Page 3, C 2013-70.

C 2013-70 Communication (01/29/2013) from the Deputy Director of Finance, transmitting for Council information, Period 1-5 Financial Reports – Detailed Budget Report, Statement of Revenues (Estimated and Actual), Statement of Expenditures and Encumbrances, and Revenue Report as of November 30, 2012, pursuant to Section 21 of the Fiscal Year 2012-2013 Operating Budget Ordinance No. B-2012-736 of the County of Kaua'i. *(Copies of the Periods 1-5 Financial as of November 30, 2012 on file in the County Clerk's Office).*

Chair Furfaro: He will be requesting a deferral so that he can attend.

Ms. Yukimura moved to defer C 2013-70, seconded by Mr. Rapozo.

Chair Furfaro: Than as a housekeeping item we are moving the records piece because Sally is coming back, to the end of the agenda.

The motion to defer C 2013-70, was then put, and unanimously carried.

C 2013-67 Communication (01/18/2013) from the Housing Director, requesting Council approval to acquire a residential unit situated at 4222 Ka'ana Street, Lihu'e, Kaua'i, Hawai'i, under the County's Community Development Block Grant (CDBG) Program.

- TMK: (4) 3-6-018-058-0002

Ms. Yukimura move to a point of order.

Chair Furfaro: Yes?

Ms. Yukimura: I think...did we not just defer 2013-70? So, would we not go to 2013-38 to defer that?

Mr. Rapozo: No. That is moved to the end of the agenda.

Chair Furfaro: I moved it to the end of the calendar.

Ms. Yukimura: Oh, I am sorry...end of calendar. Excuse me.

Chair Furfaro: Okay, we deferred one (1) and we moved the end of the agenda on item two (2) as we are going to have Sally available for that.

Ms. Yukimura: Okay, thank you. Sorry, Clerk.

Mr. Rapozo moved to approve C 2013-67, seconded by Mr. Kagawa.

Chair Furfaro: Discussion? We can have them come here. They are coming. Okay let us go on to the next item and wait for the to be present.

C 2013-68 Communication (01/23/2013) from the Chief of Police, requesting Council approval to expend approximately eleven thousand dollars (\$11,000.00) from the Other Commodities Fund (Account No. 001-1004-551.67-00) to purchase two (2) FNH Sniper Rifles for use within the Kaua'i Police Department's Special



Services Team (S.S.T.): Mr. Bynum moved to approve C 2013-68, seconded by Mr. Rapozo, and unanimously carried.

C 2013-69 Communication (01/28/2013) from the Chief of Police, requesting Council approval to purchase six (6) new XTL-5000 Motorola Digital Mobile Police Radios at the cost of approximately \$28,807.08 utilizing money in the Kaua'i Police Department's General Fund - Other Services Account (Account No. 001-1003-551.30-00). The new Motorola Digital Mobile Police Radios will be replacing obsolete Motorola Analog Police Radios and will be installed in the new Toyota Trucks and Ford Sport Utility Vehicles: Ms. Yukimura moved to approve C 2013-69, seconded by Mr. Bynum, and unanimously carried.

Chair Furfaro: The next 70, was the deferred item. 71...

Mr. Watanabe: 71, we have to take ES, Executive Sessions first, 71, 72, and 73. That will bring us down to 74. On the bottom of page 3.

There being no objections, C 2013-74 was taken out of order.

C 2013-74 Communication (02/01/2013) from the County Attorney, transmitting for Council information the Quarterly Report on Settled Claims Against the County of Kaua'i from October 1, 2012 to December 31, 2012: Ms. Nakamura moved to received C 2013-74 for the record, seconded by Mr. Rapozo.

Chair Furfaro: Discussion? County Attorney, do you have anything you want to share with us? If not, you do not know? Okay.

The motion to approve C 2013-74 was then put, and unanimously carried.

#### LEGAL DOCUMENTS:

C 2013-75 Communication (02/06/2013) from the County Attorney, requesting Council approval of the Agreement for Dedication of Property, made by and between CBG Partners and the County of Kaua'i, under which CBG Partners agrees to dedicate two (2) right-of-way parcels consisting of 0.013 and 3.068 acres, respectively, for the Proposed Northern Leg of the Western By-Pass Road in Kōloa, Kaua'i, Hawai'i, in exchange for the sum of \$161,502.00, with the County of Kaua'i paying \$38,878.00 and Kukui'ula Development Company (Hawai'i), LLC, paying \$122,624.00: Mr. Rapozo moved to approve C 2013-75, seconded by Ms. Nakamura.

Chair Furfaro: Thank you. It has been motioned to approve and second. Is there anyone in the audience that wishes to speak on this item? No one (1)?

Mr. Watanabe: Chair, there is also one (1) correction that needs to be made to the document. On page 9 of the document, it references Kaua'i Realty, Inc., in 7.2 Real Estate Commission. The name needs to be corrected to read Kaua'i Rentals and Real Estate. So, that is on page 9 on the document.

Chair Furfaro: So noted for the correction.

Mr. Rapozo: Can you repeat that, Rick?

Mr. Watanabe: This came from Mr. Jung. There was a typo on the legal document. On page 9 the document references "Kaua'i Realty, Inc." in 7.2, Real Estate Commission. The name needs to be connected to read "Kaua'i Rentals and Real Estate."

Chair Furfaro: Kaua'i Rentals and Real Estate?

Mr. Watanabe: Yes.

Chair Furfaro: You okay with that Mr. Rapozo, on that correction?

Mr. Rapozo: I guess I have a different page 9.

Mr. Watanabe: Nobody can find it?

Mr. Rapozo: My page 9 is a notary page.

Mr. Watanabe: Scott...

Ms. Yukimura: That is the second document.

Mr. Rapozo: Okay, I have it.

Mr. Watanabe: Got it?

Chair Furfaro: Everybody got that? There are two (2) documents here.

Mr. Kagawa: Yes.

Chair Furfaro: Mr. Kagawa, you are okay now? Okay. So, note the narrative change on that. Councilmember Yukimura, you have the floor.

Ms. Yukimura: Yes, I sent several questions to the Administration last night and I understand that they are coming over to answer them. So, I want to make sure that we get to talk to them before we vote.

Chair Furfaro: Let us go on a recess then.

Ms. Yukimura: Can I just say one (1) more thing?

Chair Furfaro: Oh, sure.

Ms. Yukimura: I think there is a typo on page 1.

Chair Furfaro: Housekeeping item, please follow Councilmember Yukimura. Go ahead.

Ms. Yukimura: Under "recitals," paragraph (A). I believe the last sentence...well, the last sentence, the former lots from lot 2. The former lot from which (A) to lot (B) where created. I think is "were" created is referred to as. Now logistically are not the parties supposed to initial this before it comes to us?

Chair Furfaro: May I have an Attorney up, please? While Al is coming up for the Administration's sake, I am going to go back to the Housing item so that there is time for some representation from the Administration to sachet across the street and come and answer our questions.

There being no objections, the rules were suspended.

Mr. Castillo: Council Chair.

Chair Furfaro: Go ahead, Al.

Mr. Castillo: If I may, Ian Jung told me a few minutes ago he is on his way. So, he will be able to answer the questions.

Chair Furfaro: Is he is the one (1) that is going to answer the questions even on the housekeeping item?

Mr. Castillo: I believe so.

Chair Furfaro: Okay. So, members, hold your questions and I will go to the Housing people. Is that acceptable to you, JoAnn?

Ms. Yukimura: Yes.

Chair Furfaro: Okay. Sir, *aloha*, welcome. Kung Hui Fat Choy two (2) days ago. Please come up. Mr. Clerk, we are going back to item 2013-67.

C 2013-67 Communication (01/18/2013) from the Housing Director, requesting Council approval to acquire a residential unit situated at 4222 Ka'ana Street, Lihu'e, Kaua'i, Hawai'i, under the County's Community Development Block Grant (CDBG) Program.

• TMK: (4) 3-6-018-058-0002

Chair Furfaro: If you would introduce yourself. We have questions for you.

There being no objections the rules were suspended.

Chair Furfaro: We are back on 2013-67. Did we have questions for the Housing Director. Vice Chair you have the floor.

Ms. Nakamura: Thank you for being here Kamuela. I just had a few questions about this transaction. The first question is what does the County intend to do with the property that will be acquired using the CDBG Funds?

KAMUELA COBB-ADAMS, Housing Director: We are going to be selling it as part of our home buyers.

Chair Furfaro: Excuse me, just a second. Gentlemen, we can hear you up here. Could you take your conversation outside? Thank you very much. Thank you for coming over. Kamuela, you have the floor again.

Mr. Cobb-Adams: *Mahalo.* The house that we are purchasing is going to be sold as a leasehold sale to our home buyer list, basically.

Ms. Nakamura: What would be the income, the targeted income group?

Mr. Cobb-Adams: CDBG limits it to eighty percent (80%) below the median income.

Ms. Nakamura: Do we have an estimated leasehold market appraisal?

Mr. Cobb-Adams: The appraisal is due this Friday, actually. So, we do not. We had a previous house in the area. I can give you like a comp if you want that. A comp at another property was two hundred thirteen thousand (213,000.00).

Ms. Nakamura: How many single family and multi-family homes does the County own outright?

Mr. Cobb-Adams: For clarification "outright," meaning we own the house and land outright?

Ms. Nakamura: Yes.

Mr. Cobb-Adams: Okay. Eight (8) single family houses we currently own outright...single family residences. Some are condos, some are houses and one hundred sixty (160)...I guess. We have Pa'anau one (1), Kalepa one (1) and Kalepa four (4) and those total one hundred sixty (160) units of condos that we own. Yes, rentals. Those are separate. Those are rentals and we have eight (8) that are intended for sale.

Ms. Nakamura: Thank you very much.

Chair Furfaro: Other questions for the Housing Director?  
Mr. Bynum.

Mr. Bynum: Just real briefly while we get out number. How many homes have we rehabilitated this way and sold where we own the fee simple, but we have sold the property?

Mr. Cobb-Adams: So, our leasehold inventory that we have sold sixteen (16) right now.

Mr. Bynum: We have sixteen (16) that we have completed the process.

Mr. Cobb-Adams: Sixteen (16) completed and we have eight (8) in the hopper.

Mr. Bynum: Eight (8) in the pipeline.

Mr. Cobb-Adams: Yes.

Mr. Bynum

Great.

Chair Furfaro: Other questions for the Director of Housing?  
If not, Sir, your response is much appreciated. I will let you go.

There being no objections, the meeting was called back to order, and proceeded as follows:

Chair Furfaro: Discussion? Everybody is okay? Discussion?  
We need to vote on that item 67.

The motion to approve C 2013-67 was then put, and unanimously carried.

Chair Furfaro: Thank you very much. Now if we could ask  
for Mr. Jung, he is outside and the County Attorney. So, that means we are going  
back to item.

C 2013-75 Communication (02/06/2013) from the County Attorney, requesting Council approval of the Agreement for Dedication of Property, made by and between CBG Partners and the County of Kaua'i, under which CBG Partners agrees to dedicate two (2) right-of-way parcels consisting of 0.013 and 3.068 acres, respectively, for the Proposed Northern Leg of the Western By-Pass Road in Kōloa, Kaua'i, Hawai'i, in exchange for the sum of \$161,502.00, with the County of Kaua'i paying \$38,878.00 and Kukui'ula Development Company (Hawai'i), LLC, paying \$122,624.00.

Chair Furfaro: Mr. Jung, may I ask you to come up.  
Appreciate your coming over if you could introduce yourself. I am going to let you  
know that we have members who want to pose a few questions to you.

There being no objections, the rules were suspended.

Mr. Jung: Okay.

Chair Furfaro: On this item. 2013-75, under Legal  
Documents. Members?

Mr. Jung: I did...just for the record I did bring a  
location map. I do not know if you want me to put it up just so everybody knows  
where the particular project is.

Chair Furfaro: Why do we not do that? Scott will give you  
some assistance there. That is pretty dark, Mr. Jung. Is it getting better? Are we  
putting more light on it?

Mr. Bynum: The projector is warming up.

Chair Furfaro: Mr. Jung, my request of you, and I am going  
to go sit in the audience to look at the map and turn the meeting over to Vice Chair  
Nakamura. But would you start, please, by going over the map for the benefit of  
the members.

Mr. Jung: Sure. If you look up on the top part of the  
location map...and this map came out of the Hawai'i Revised Statutes (H.R.S.) 343

Chair Furfaro: I am going to ask Mr. Dill to come up and if you could stay there. I do want to remind the members that many decisions that have to do with this bypass were pieces that were discussed six (6), seven (7) years ago. I want to make sure that you understand that Mr. Dill has the answers to the

questions that were sent over. But as a courtesy to him, do understand, he was not the County Engineer at that time. So, some new questions if you might pose them other than what was sent over in writing, let us allow him some time for that research, if necessary. But do you want to start with going through the questions that you did research and answer for us, Larry?

LARRY DILL, P.E., County Engineer: We did receive E-mails and questions this morning and Ian has already addressed some of those. I will address a couple of specific ones the questions were asked about the specific accounts that the County was using to pay its share of the price, the thirty eight thousand eight hundred seventy-eight dollars (\$38,878.00). The accounts are 409-2071-624.30-00, that is Highway CIP Funds and 410-2071-624.30-00 and that is the matching State Grants STIP funds. So, eighty percent (80%) from the STIP account and twenty percent (20%) from the County's account. Then the questions was asked about total estimated costs for this project and breaking it down to the land acquisition, there is the County's share as was mentioned, thirty eight thousand eight hundred seventy-eight (38,878). Kukui'ula as the Ordinance condition of approval has contributed six hundred thousand (600,000), and those go to acquiring three point zero eight one 3.081 acres of land towards the right-of-way acquisition for the bypass. Also should note that in addition A&B donated four point eight seven nine (4.879) acres of land. So, it is close to eight (8) acres of land and County outlay for that, eight (8) acres that we will be acquiring is the, thirty eight thousand eight hundred seventy-eight (38,878) we are requesting today, or approval of. On the environmental side, the County contributed nothing because that was part of the six hundred thousand dollars (\$600,000.00) that Kukui'ula is contributing and out of the six hundred (600), four hundred thirteen (413) went toward the environmental work. The next phase of the work would be the design work. We estimate County, that will be a STIP project as well. County share four hundred thousand (400,000) and Federal Highways 1.6 million through the STIP Program. Finally, the construction part, we vary...approximate estimates now as it is still early in the project, but we estimate approximately total of twenty-five million dollars (\$25,000,000.00). That would be a STIP funded project. Twenty million dollars (\$20,000,000.00) in Federal Highways and the five million (5,000,000) from County. Of that five million (5,000,000), we do have some soft match to the tune of...I think it is about two hundred eighty thousand dollars (\$280,000.00) from the contributions made for the land so far and that would be including the thirty-eight thousand dollars (\$38,000.00) in funds if that get as approved today. So, that is generally by phase, all the costs we have incurred to date, as well as anticipated costs.

Chair Furfaro: Thank you for that summary and I would probably move to accept this as a voice vote, not a roll call vote. But as a voice vote. But if new questions do come up, then obviously, to the best of your ability to answer them as I knew you were not here, Larry. Questions for the gentlemen?

Ms. Yukimura: What was the appraised value of the three (3) acres?

Mr. Jung: There was an appraisal done by Kukui'ula as well as CGB Partners. CGB Partners apparently kept their appraisal in private. There was an recent update to the appraisal which appraised at about forty-two thousand (42,000) per acre. But Tom Shigemoto is in the audience as well, negotiated the price with CGB. So, if you want more details.

Ms. Yukimura: So, was it a yellow book appraisal?

Mr. Jung: I am not sure if the original appraisal that Kukui'ula did was a yellow book appraisal.

Ms. Yukimura: Well, maybe Tom can address that. The total amount we are paying is three hundred twenty-three thousand (323,000) or am I off for three (3) acres?

Mr. Jung: The total price is about one hundred sixty-one thousand five hundred two dollars (\$161,502.00).

Ms. Yukimura: One hundred sixty-two thousand (161,000)...

Mr. Jung: If you look at...

Chair Furfaro: That amount appears in our agenda, one hundred sixty-one thousand five hundred two dollars (\$161,502.00).

Mr. Jung: It is paragraph 1.2 of the agreement for dedication of property.

Ms. Yukimura: What does KDCH agree to contribute the sum of? The County agrees to pay CGB as compensation for its agreement here under to convey the right-of-way to the County the sum of one hundred sixty-one thousand (161,000).

Mr. Jung: If you read paragraph 1.2, you have the initial outset of what the purchase price is. Then is you read...continue down through the paragraph, it breaks it down into which share is coming from who.

Ms. Yukimura: I see.

Mr. Jung: So, the first share is coming from KDHC which is one hundred twenty-two thousand six hundred twenty-four dollars (\$122,624.00) and the second share to calculate to one sixty-one five zero two (161,502) would come from the County at thirty-eight thousand eight seventy-eight dollars (\$38,878.00).

Ms. Yukimura: Right, I see that. Okay, so that is fifty thousand (50,000) an acre?

Mr. Jung: About fifty-two thousand four hundred (52,400).

Ms. Yukimura: Fifty-two thousand (52,000) an acre. And the appraisal was forty-two thousand (42,000) an acre?

Mr. Jung: The appraisal...the updated market value estimate came in at forty-two thousand (42,000). I personally have not seen CGB's...

Ms. Yukimura: So, how come we are paying more than appraisal?



Mr. Jung: There has been, from what I understand coming in late in the game here, over eight (8) years of negotiations on this. There was a deal set up originally between Kukui'ula and CGB and the price varied from ninety-five thousand (95,000) per acre to forty thousand (40,000) per acre. I think we can all...I mean I am not a licensed appraiser, but this particular piece of property would be very difficult to appraise because it is intended to be a road right-of-way. But it is splintering off a property which has the possibility for severance damage. But how that all works, I am not too aware of.

Ms. Yukimura: Is the County...is it legal for the County to pay more than appraised value?

Mr. Jung: Well, it depends on, remember appraisers are experts. So, the County...if you are looking at the County assessment, the County assessment is one hundred dollars (\$100.00) per lot, lot 215(b) and lot 215(c).

Ms. Yukimura: No, we are not talking about a County-assessed value. We are talking about appraised values usually by yellow book appraisal for government purchases.

Mr. Jung: Do you know any information about the STIP? This was on STIP though, right? I mean, we are aware that is on the STIP whether or not the Federal Highways Division...

Ms. Yukimura: I do not know what that means whether it is on STIP or not. All I know is when the County usually purchases property we do not pay more than appraised value and I would like to know legally, whether we can pay more than appraised value? Then I would like to know what is the appraised value?

Mr. Jung: We would probably have to do our own independent appraisal.

Ms. Yukimura: Well, then, please do the proper thing.

Chair Furfaro: Do not direct them to what they need to do. It is still a discussion for the whole body.

Ms. Yukimura: Well, it is not even me or the Council.

Chair Furfaro: So, what I am asking is how did we get the range eight (8) years ago?

Mr. Jung: The range came from an appraisal and negotiations between KDHC and CGB Partners. CGB Partners is now firm on the fifty-two thousand four hundred thirteen 52,413 per acre because Kukui'ula put in most of the money on here. The Department of Public Works was willing to pay in the overage fee or payments based on going over six hundred thousand dollars (\$600,000.00).

Chair Furfaro: You answered my question, how did we get the range eight (8) years ago. So, if the Councilwoman would yield the floor, we have other Councilmembers that have questions on the same subject.

Ms. Yukimura: I have...yes on the same subject I have some other questions. But surely you can finish the subject.

Chair Furfaro: Mr. Kagawa, you are next.

Mr. Kagawa: Just really quickly. I noticed that it connects to the western bypass road and myself and Councilmember Rapozo, we went out to a cemetery site, I believe and there is a culvert or a drain that runs towards the cemetery. I believe that was Mr. Russell Abrue that had us out on a visitation. I am just wondering if we are anticipating any problems of that sort with where is the water going from our new road there? Have we looked at that or not really yet?

Mr. Dill: It would have been addressed...typically those things are addressed in the Environmental Assessment and EIS that were done. I apologize, that was before my time. I am not intimately familiar with the EIS. But drainage would be one (1) of the issues covered in the EIS.

Mr. Kagawa: Alright. Thank you.

Chair Furfaro: Mr. Bynum.

Mr. Bynum: So, when we...presuming this all goes as planned this will be fee simple ownership by the County?

Mr. Jung: Correct.

Mr. Bynum: And do these contracts have any performance expectations about when we use this land once we acquire it?

Mr. Jung: No, not in the dedication.

Mr. Bynum: It does not have any deed restrictions?

Mr. Jung: It is land courted property so there are specific land core provisions. If you look at Exhibit (B) of the document it has...I am sorry, Exhibit (A).

Mr. Bynum: These are typical?

Mr. Jung: Right.

Mr. Bynum: There are not any exceptional restrictions or conditions?

Mr. Jung: No, I am sorry, it is Exhibit (B). So, there are several sort of conditions, if you will, attached to the Dedication Deed which have gone through history in terms of recognizing certain rights that have been associated with the property.

Mr. Bynum: There are no new deed conditions or restrictions that are extraordinary?

Mr. Jung: No.

Mr. Bynum: Thank you.

Chair Furfaro: I will go back to Councilmember Yukimura.

Ms. Yukimura: So, can the County pay for more than appraised value?

Mr. Jung: I do not know the answer to that question. I think the appraised value was a market value estimate that ACM did in 2010. So, if you want we could go and do more research on that. But the County is coming in to assist with a portion of the share of the property whether or not it is the full value or not, Kukui'ula has the higher amount of one hundred twenty-two thousand (122,000) versus the thirty-eight thousand (38,000). But if that is something that you would like me to research, I certainly can.

Ms. Yukimura: Yes, I would. Well, we are agreeing to pay compensation in this total and then it seems like Kukui'ula is agreeing to pay part of it through its zoning requirement. But it is still the County purchasing the land. That is what it says here.

Mr. Jung: Right.

Ms. Yukimura: For the sum of one hundred sixty-one thousand (161,000). So, like fifty-two thousand (52,000) per acre.

Mr. Jung: The County is a contributing member to the acquisition of the property.

Ms. Yukimura: Well, we are agreeing to pay compensation of one hundred sixty thousand (160,000), three hundred sixty-one thousand (361,000) that is what the wording says here.

Mr. Jung: If you read down the paragraph, it splits up the calculation of one hundred sixty-one thousand (161,000) to two (2) different parties and that is why Kukui'ula is a party to this agreement meaning it is a three (3) party agreement. Ordinarily, you would have a two (2) party land sales agreement, right? But this it case, we wanted a three (3) party land sales agreement so Kukui'ula could contribute their share and then the County would come in and contribute the remaining share up to that six hundred (600) for the design acquisition and permitting under Condition 14 of the Ordinance.

Ms. Yukimura: Then to me it should be worded differently. I have another question. There is a provision in the agreement for no recordation and that if there is any recordation by the County, it will constitute a default by the County. Now this is land court land. What is the relationship between recordation and no recordation as to land court?

Mr. Jung: The reference to the provision, and I appreciate you sending us that question in advance. The recordation of the agreement, we are not looking to record the land sales agreement. We are looking to record the Dedication Deed attached as Exhibit (B). In most land sales transactions you never record the agreement of how you got to the land sale, right? You record the deed, the Warranty Deed, the Quick Claim Deed, whatever type of deed you have. In this case it is a Dedication Deed. If you want us to remove that

provision, we certainly can. But the County Attorney's Office has into no intention of trying to get the agreement recorded because the agreement speaks for itself and it is a separate independent document kind of like...I mean, it is essentially a contract bound by law. So, we fulfilled the terms of contract. We have provisions to back out of the contract if we need to. But we do not intend on recording this specific legal document. We record the Dedication Deed as the conveyance document.

Ms. Yukimura:                         Though I am just curious as to why...

Chair Furfaro: Hold on one (1) second.

Ms. Yukimura: Oh, sorry.

Chair Furfaro: We are not going to roll into a whole series of questions here. You are our legal advisor. This is a tri-party agreement that says for us to set our money there as part of a three (3) partner deal on two (2) different parcels. That is what we got here.

Mr. Jung: Right.

Chair Furfaro: We are going to take a tape change. When we come back, I am going to even though we are not required to take a roll call vote, I am going to take a roll call vote. You heard the concerns that need to be part of the ongoing closure of the tri-party agreement. I am sure you are hearing them.

Mr. Jung: I understand.

Chair Furfaro: These are things that we dealt with eight (8) years ago. I am going to take a caption break for a tape change. How long will it take, BC? Let us not be gone for more than five (5) minutes, members.

There being no objections, the Council recessed at 3:34 p.m.

There being no objections the meeting was called back to order at 3:42 p.m., and proceeded as follows:

Chair Furfaro: I think I am going to call for the vote here, that is what I am going to do. This is something that we agreed eight (8) years ago. This is a condition, that was a condition from eight (8) years ago. I will give you the floor to give your comments. But I am not going to carry on the discussion. You will have an opportunity. I am going to do a roll call vote and we are going to go from there. Members, I would like to...although, this does not require a roll call vote, I would like to have an opportunity to do a roll call vote. Reminding us that this is material that was discussed, agreed on, almost eight (8) years ago. Can I have the County Attorney up for a moment? I just want to confirm that some of the issues that were coming up today, you are still watching our backside?

Mr. Jung: Of course.

Chair Furfaro: As we go into this tri-party agreement.

Mr. Jung: Will do, yes, definitely.

There being no objections, the meeting was called back to order, and proceeded as follows:

Chair Furfaro: Thank you. Okay. On that note, I am going to call for a vote. Before I call for the vote I am going to allow discussion. If you just let me complete it, so everybody knows what we are doing, okay? I have called us back into session. I am going to do a roll call vote. But if there is anyone that would like to have discussion now it the time to do it. Mr. Bynum.

Mr. Rapozo: Do we have a motion?

Chair Furfaro: We have a motion. Mr. Bynum.

Mr. Bynum: I am voting to support this today. It is a long effort, but I want to make some comments about this. I am voting for this today. But I want to point out that in the budget last year, there is a CIP item of four hundred thousand (400,000) that I voted to remove from the budget. The reason I did that is because this four tenths (4/10) mile section of road clearly will be a benefit to the South Shore. But I do not believe it is the highest priority. I believe the reason...I mean we were just told the estimated cost is twenty-five million (25,000,000) for four tenths (4/10) of a mile of road and that is because it is a difficult...I think it is through difficult terrain like wetlands and stuff. We had a Kōloa/Po'ipū Transportation Plan done a number of years ago that identified this was a benefit, but basically a fairly low priority. This is a very high cost thing and I want to point out something on the map which I think is where we do not plan well and it causes problems where we need this maybe more. I do not have a pointer but Po'ipū Road is *mauka* of Makai Road and both bypass are *mauka/makias*. But if you look at Kōloa Road and the roundabout and these two (2) *mauka/makias* there is no connector present in that entire length. I do not know how long it is, a couple of miles. There should have been one (1) at Lopakapiki. I have been trying to research for five (5) year now, why that connection did not get made. It is an undone connector at Pa'anau. We just did some work here, the County, and that connector does not connect. The other one (1) that you see there is a private road. So, part of the reason to do this bypass is to avoid the congestion at Kōloa Road and Po'ipū Road. But making the connectors there would also help avoid congestion at that road because people right now are forced to go through there because there is no connectors. I am going to support this because even though I voted to remove the design funds this because I did not think it was time to for the County to make a five and a half million dollar (\$5,500,000.00) commitment, which is our share to this is we design and build. But I did not win that vote. We are going to go forward and to acquire this land. I may make the argument again at budget that this is not the highest priority for us to expend money. But if this goes through, we will have the right-of-way and that is why I asked the questions about was there any performance expectations? We can have that discussion later. But for now, I am very supportive of this moving forward because I appreciate all the work and negotiations that have been done. I would like to thank Tom, whatever he negotiated, he is a tough negotiator. So, I am sure we came out pretty good on this. Thank you.

Chair Furfaro: Thank you for your comments. I concur with your points, it is land. It may not have the immediate benefit. But it is land and this is land that we should have when it goes from a low priority to a high priority.

Mr. Bynum: Exactly.

Chair Furfaro:

Other comments? JoAnn?

Ms. Yukimura: Yes, I am not going to vote for this because...and I do see the point made about having land. But doing this connector presumes four (4) lanes at the tree tunnel and four (4) lanes between Lihue and the tree tunnel. Those are sort of givens that require this connector road and that is twenty-five million dollars (\$25,000,000.00) of County and Federal moneys which I believe should be spent and can be spent. We do switch our STIP priorities around for whether it is making Po'ipū Road more multi-modal or making the connections that Councilmember Bynum has said. We are spending six hundred thousand (600,000) for an EA, an Environmental Assessment for point four (0.4) miles. I mean that is the kind of cost commitments we are making and we will not get the benefits of it until we spend twenty-five million (25,000,000) and that presumes four (4) lanes at the tree tunnel. Is that the kind of land use and transportation future and scenario that we want for this island and for the Po'ipū area? I do not think so. So, I am not going to support this.

Chair Furfaro:

Okay. Mr. Rapozo?

Mr. Rapozo: Thank you, Mr. Chair. I will be supporting this. This is a long time coming. I mean, these are issues that I think the Chair highlighted issues that we had discussed in quite detail, eight (8) years ago I guess it was, Mr. Chair. It was basically a condition for the zoning, rezoning permit. To some it may not be a priority. To me it is because our constituents in Kōloa. If you look at that traffic that they have to deal with when you get up to the service station junction, I would bet that if you go and interview each of them in the morning or in the afternoon as they wait their turn, if you were to ask them and ask is this a priority? Do you think this is a priority to build that? I bet you they all would say yes. So, you know, the priorities are different with each other. We represent the entire island. I would encourage that we move on this. Yes, it includes a lot of money. But my gosh, it is money that I think we cannot avoid. That, in fact, this plan needs to be moved forward. I think supporting this today...to not support the continuation of the project in the budget, I think would not be a wise thing. I think we need to assist the Administration and move this project forward so we can get that leg done. It is a short leg, relatively short leg. But it is a complicated leg and we knew that when we set the condition. We knew that it would come with a price and we agreed to that. Kukui'ula agreed to that. So, at this point I think we should not stand in the way of an agreement that we had made a while ago. I think the Kōloa community would welcome this addition. I believe they would. So, I will obviously be supporting this, Mr. Chair.

Chair Furfaro: Anymore dialogue? If not, I am going to call for the vote from the Clerk's Office and I want to make sure it is very clear what I was saying. I think there is an opportunity here as Mr. Bynum said, to acquire the land. We can revisit the plan in future years. But the reality is you cannot revisit it if you do not have the land to begin with. So, roll call vote, please.

The motion to approve Legal Document C 2013-75 was then put, and carried the following vote:

FOR APPROVAL:	Bynum, Hooser, Kagawa, Nakamura, Rapozo	
	Furfaro	TOTAL - 6,
AGAINST APPROVAL:	Yukimura	TOTAL - 1,
EXCUSED & NOT VOTING:	None	TOTAL - 0,
RECUSED & NOT VOTING:	None	TOTAL - 0.

Chair Furfaro: On that note, for the Clerk, I want to skip around on the agenda here because I would like to go to the Resolutions dealing with the Commissioner appointees and then go into Executive Session as it relates to the visit we have here by Glenn Sato from the Kobayashi Law Firm. So, if we could go into that mode, I would appreciate it.

There being no objections, the Resolutions were taken out of order.

#### RESOLUTIONS:

Resolution No. 2013-34, RESOLUTION CONFIRMING MAYORAL APPOINTMENT TO THE CIVIL SERVICE COMMISSION (*Karen S. Matsumoto*): Ms. Yukimura moved to adopt Resolution No. 2013-34, seconded by Mr. Kagawa, and carried by the following vote:

FOR ADOPTION:	Bynum, Hooser, Kagawa, Nakamura, Rapozo,	
	Yukimura, Furfaro	TOTAL - 7,
AGAINST ADOPTION:	None	TOTAL - 0,
EXCUSED & NOT VOTING:	None	TOTAL - 0,
RECUSED & NOT VOTING:	None	TOTAL - 0.

Resolution No. 2013-35, RESOLUTION CONFIRMING MAYORAL APPOINTMENT TO THE FIRE COMMISSION (*Savita Agarwal*): Ms. Yukimura moved to adopt Resolution No. 2013-35, seconded by Mr. Bynum, and carried by the following vote:

FOR ADOPTION:	Bynum, Hooser, Kagawa, Nakamura, Rapozo,	
	Yukimura, Furfaro	TOTAL - 7,
AGAINST ADOPTION:	None	TOTAL - 0,
EXCUSED & NOT VOTING:	None	TOTAL - 0,
RECUSED & NOT VOTING:	None	TOTAL - 0.

Mr. Hooser: On the next item, if I wanted to have some discussion before a motion is made, is that possible to do?

Chair Furfaro: I will recognize you, yes for that. So, let us read that item.

Resolution No. 2013-36, RESOLUTION CONFIRMING MAYORAL APPOINTMENT TO THE PLANNING COMMISSION (*John K. Isobe*)

Chair Furfaro: Thank you very much. Any discussion from the members?

Ms. Nakamura moved to adopt Resolution No. 2013-36, seconded by Mr. Bynum.

Mr. Hooser: Yes. Mr. Chair, at the last meeting when we interviewed Mr. Isobe and others, I expressed my concerns that the...this is no reflection on Mr. Isobe. In fact, actually I believe he is very qualified for the business slot. But my concerns were that the environmental slot was vacant for thirteen (13) months and had said I did not feel comfortable filling the business slot at this time until we could provide the balance that was necessary by having an environmental person, a strong environmental candidate, a candidate as strong as Mr. Isobe is, who has a stellar record in business. So, I had indicated I would not be comfortable and we both sent a letter to the Mayor's Office. I have not heard anything in response to that letter. As far as I know the Administration has not responded whatsoever. So, I would like to move to defer this item pending the submission of a name for the environmental slot.

Chair Furfaro: Mr. Rapozo, I will recognize you.

Mr. Rapozo: Thank you very much, Mr. Chair. I will support the motion to defer after all the discussion is made, Mr. Hooser. But I did have a question for the Boards and Commissions Representative, if possible. If you could suspend the rules, Mr. Chair.

There being no objections, the rules were suspended.

Chair Furfaro: Paula, will you come up and join us?

PAULA MORIKAMI, Boards and Commissions Administrator: Good afternoon.

Chair Furfaro: Mr. Rapozo, you have the floor.

Mr. Rapozo: Thank you, Paula. My question is, I am not sure if...I guess you would be the right one (1) to ask. What efforts has your Office or the Administration made in the last thirteen (13) months to fill that position of the environmentalist in the Planning Commission?

Ms. Morikami: We have interviewed and spoken to, I believe, eight (8) possible candidates. Based on our interviews, a couple of them ended up deciding not to want to serve. For some reason or another they just felt that the time involved was too much because the Planning Commission is unlike other Commissions where having served there, you need to spend twenty-five (25) to forty (40) hours a month to really do a good job, read all the documentation, attend two (2) meetings a month, go to workshops and trainings. So, a lot of them could not make that commitment. One (1) person felt that they may appear here at the Council and based on the rules of the Charter, they would not be able to do so. So, it is not that we are not attempting to find someone. It is not that easy to find someone who is committed to serve and spend that time. I do know that the Mayor has on his desk several names that he is looking at and he is interviewing people. So, the process is still ongoing.

Mr. Rapozo: Okay. So, in last thirteen (13) months you interviewed eight (8), right?



Ms. Morikami: I believe other names came up. But I think the ones that we received was about amounted to eight (8) people.

Mr. Rapozo: Okay, eight (8) and then two (2). You said a couple of them decided not to?

Ms. Morikami: Yes.

Mr. Rapozo: What happened to the other six (6)

Ms. Morikami: Because they were not able to...well, one (1) was not able to appear before anybody that would be a conflict. The others felt, well one (1) in particular did not want to do a disclosure statement because that person felt that his personal, financial matters are his personal.

Mr. Rapozo: Let me ask you this, have we solicited names from the Sierra Club? Have we reached out to these organizations?

Ms. Morikami: We have reached out to some organizations.

Mr. Rapozo: I mean have we sent a letter to the Sierra Club?

Ms. Morikami: No, we have not.

Mr. Rapozo: Or Apollo Kaua'i or any of these environmental groups on the island that I believe would have quite a bit of interest in having someone sit on that Commission. So, we have not done that?

Ms. Morikami: No.

Mr. Rapozo: So typically, how do we...is it just word of mouth? We just go out there and ask people we know?

Ms. Morikami: Yes.

Mr. Rapozo: Have we posted in the newspaper that we are looking to fill the position?

Ms. Morikami: No, we have not.

Mr. Rapozo: Okay, that is all I have.

Chair Furfaro: Paula, let me ask you, I cosigned a letter with Councilmember Hooser with some urgency about finding these candidates. The eight (8) you just referred to, did they include the two (2) that I recently sent over?

Ms. Morikami: No.

Chair Furfaro: They did not.

Ms. Morikami: These eight (8) were in past. They did not include the several that the Mayor is looking at now. He did receive your letter and

he realizes the importance of it. But there is a screening process. He is interviewing and our Office makes sure there is no conflict of interest and other things like that.

Chair Furfaro: And I do want to point out that I feel that the names that I submitted are carrying the appropriate credentials as membership in the various environmental groups that Mr. Rapozo. But the eight (8) did not include the two (2) I submitted?

Ms. Morikami: No.

Chair Furfaro: Okay. You can see it is a priority for the Council to get a seven (7) member Planning Commission.

Ms. Morikami: Yes.

Chair Furfaro: Mr. Kagawa.

Mr. Kagawa: Currently...hi Paula. Thank you for the information. Glad to hear that we are interviewing a lot of people and trying to fill that spot. I think last week kind of got the impression that we were not making that effort and it is good to hear that we actually were. How much do we currently have on the Planning Commission right now? How much members?

Ms. Morikami: Right now we have six (6) members, two (2) of them are on holdover for ninety (90) days.

Mr. Kagawa: And those two (2) are?

Ms. Morikami: Caven Raco and Cami Matsumoto.

Mr. Kagawa: So, basically if we did not have them on ninety (90) day extension, the we would have four (4)? Is that true?

Ms. Morikami: Yes.

Mr. Kagawa: And how much do we need for...yes.

Ms. Morikami: Quorum. A quorum is four (4) members.

Mr. Kagawa: Four (4) members. Okay.

Ms. Morikami: And when we asked them for reconsideration until we fill the positions, the ninety (90) days, I asked them very nicely and very politely and practically begged them to stay on for ninety (90) days until the positions are filled. Both Caven and Cami said okay, they would stay on until March 31<sup>st</sup>.

Mr. Kagawa: Is it your opinion that it is very important that we approve these two (2) candidates today?

Ms. Morikami: Yes. In one (1) occasion this person decided as we were interviewing, and she was thinking of serving on this Environmental Designation position. At the end when we thought we had someone, she decide that

she just would not do it and wanted to travel and spend more time with your grandchildren. The process when you interview, they think about it, and it is not like a day or week, we give them time to think about it. There is another occasion where this guy said it sounds good. Then he had problem with taro, with the birds, so then he pulled back. So, we are making an attempt as best as we can and the Mayor is aware that the position does need to be filled.

Mr. Kagawa: Thank you, Paula. I think one (1) of the great things that you served and you are being upfront with these people and telling them, the kind of time that it takes and the reason why it takes so long. I can see even for myself, if I were not here and to be honest, I do not think I could fulfill and really be successful with all the time requirements and being that it is just a volunteer position. Thank you very much.

Ms. Morikami: Thank you.

Chair Furfaro: Paula, may I ask, as I submitted names and credentials. May I ask that I assume that the Administration is open to the idea that if other Councilmembers have identified individuals with the appropriate environmental type credentials, memberships and so forth, they could submit names as well?

Ms. Morikami: I believe a couple of you have and yes, you can submit names.

Chair Furfaro: Okay. Very good. Thank you. Any more questions? Go ahead, Mr. Hooser.

Mr. Hooser: Just to clarify some of the earlier discussion. I want to be clear that right now the ninety (90) day holdover period stretches until April 4<sup>th</sup> or something like that. Is that correct?

Ms. Morikami: March 31<sup>st</sup>.

Mr. Hooser: March 31<sup>st</sup>. So, you mentioned the two (2) individuals had said that they agreed to stay until March 31<sup>st</sup>?

Ms. Morikami: Yes. if you look at the Planning Commission meetings over the last few of months you will notice that the membership consist, at meetings, four (4) members, five (5) members, and do not necessarily always have six (6) members.

Mr. Hooser: The two (2) slots we are looking at and actually we are only discussing one (1) right now. The people...the holdovers have agreed to stay through March 31<sup>st</sup> and today is February. So, we have forty-five (45) days theoretically to finish the business so to speak. There seems like there is time and we have had this discussion before. My concern is that the voice, that the Charter says two (2) represent business, two (2) labor, to the interest of business, and the interest of labor and the interest of the environment and for the past thirteen (13) months no one has set in the seat of representing the interest of environment. Not one (1) seat. I am troubled by that. That is why the subject was raised and so I am hoping that with all the good candidates and increased awareness that the Administration can find a good candidate with genuine support in the environmental community to fill this slot and for all of the positions.

Councilmember Rapozo pointed out, I think, that I would encourage the Administration to look into the greater community besides the people that we just know. Running ads in the paper or whatever is necessary. I am sure there are a lot of good people who would serve if they thought they had a chance of getting selected.

Ms. Morikami: We also have the situation, for your information, with the Civil service Commission to find a labor or unskilled laborer position. It is longer than this environmental one (1). But we have interviewed a lot of people and the bottom line is that they would be losing one (1) to two (2) hours pay from their company if they were to serve labor, skilled or unskilled. So, that position is also vacant for a long time because they are employed and the meeting starts at 3:00. So, would be losing work hours. We have gone to the unions to for names also.

Chair Furfaro: Well, I am reaching out to ask members if they have an idea of someone who would meet the criteria and you are open to receiving other names as I have submitted some. The Administration is open to that?

Ms. Morikami: Yes.

Chair Furfaro: Thank you, Paula. I am sorry, did you have a question for Paula?

Mr. Bynum: A couple.

Chair Furfaro: Go right ahead.

Mr. Bynum: I did not mean to get into this much detail, but currently the business members on the...or I assume Caven is one (1)?

Ms. Morikami: Caven Raco is one (1) them and the other one  
(1) Wayne Katayama.

Mr. Bynum: And so Mr. Isobe would be replacing the business?

Ms. Morikami: Caven Raco.

Mr. Bynum: Caven. And the labor representatives are?

Ms. Morikami: Jan Kimura and Herman Texeira.

Mr. Bynum: Okay. And there are no environmental members?

Ms. Morikami: Hartwell Blake is the only one (1) and there is one (1) position that we are seeking.

Mr. Bynum: So, Hartwell is one (1).

Ms. Morikami: Yes.

Mr. Bynum:

Then the seventh (7<sup>th</sup>) position is?

Ms. Morkiami:  
Mendonca, if you approve her.

At – Large and that is slated for Amy

Mr. Bynum: Thank you for that. I was not here last week. I would have asked those questions. I apologize. My other question is, I understand your role as the Administrator of the Boards and Commissions to provide support to all the Commissions. Is it also...are you also tasked by the Mayor to find candidates or is that something he does in his Office and then you help process and train?

Ms. Morikami: We are part of the Mayor's Office. So, individuals may come to us as well as come to the Mayor's Office and we bring our lists together and we go over the candidates or applicants who are interested.

Mr. Bynum:

But the final decision is the Mayor's?

Ms. Morikami:

Yes.

Mr. Bynum:  
suggestions from Councilmembers?

And you feel like the Mayor is open to

Ms. Morikami:

Absolutely.

Mr. Bynum:

Okay. Thank you.

There being no objections, the meeting was called back to order and proceeded as follows:

Chair Furfaro: On that note I want to remind everybody that we do have Attorneys waiting for us who came in from Honolulu on other business. So, thank you Paula for responding to the questions. Now, we have a motion to approve and a second, right? It sounds like...let me finish, Mr. Hooser. It sounds like the discussion is that there might be a second to a deferral. If that occurs the deferral has precedence over the approval and the deferral would have to get the majority vote. Let me make sure I understand that correctly. Okay. Now just wanted to clarify that. Mr. Bynum, you have the floor.

Mr. Bynum: Thank you. I do not know how this vote is going to come out. But I do know that I think the most important...one (1) of the most important decisions that we make about Boards and Commissions is the Planning Commission. As Paula pointed out, they make huge decisions that have significant impact. The way our County is structured, they often work in a quasi-judicial kind of manner where there is a lot of legal implications. So, I have always put a little more scrutiny into those positions, had more dialogue. Unfortunately, I was not able to be here last week. However, Mr. Isobe is somebody that I know fairly well and I have had long experience with him in County and business relations. I want to say before this vote that I am going to one hundred percent (100%) support of Mr. Isobe for this position. His professionalism and integrity has always been solid in all of my dealings with him throughout the years that I have known him. If I should vote to defer, it will be because I share Councilmember Hooser's concern about how critical it is that we have an environmental person identified. I will not make any judgment that has been for lack of effort because I think especially for an

environmental candidate, this thing that came up a couple of years ago that if you are on a Board or Commission you cannot appear before Council, which I still hope we can resolve some way and change because it really limits the very type of people we want to serve from being able to serve because in some ways they are giving up their constitutional rights to speak up on other issues. I do not know what the status of all of that is. But I hope we can find a way to resolve that. On the other hand, environmental groups that are out there that are concerned about not having representation, they could feel like you have kept the business guys fully staffed and the environmental positions have not been staffed. So, there could be a perception of fairness. I certainly would not want to delay any decision beyond the ninety (90) day extension. So, I just wanted to make those comments before the vote. Thank you for the opportunity, Mr. Chair.

Chair Furfaro: I also want to point out that I do believe that the Commissioners can only be extended once. They cannot go extended in perpetuity. So, they get one (1), eighty-nine (89) day extension. Mr. Rapozo?

Mr. Rapozo: Thank you, Mr. Chair. March 31<sup>st</sup> gives us six (6) meetings to approve another candidate. I do not know what the screening process is at the Administration level. In thirteen (13) months, eight (8) interviews. I do not think is an effort that I believe is enough. I think if I am looking for an environmentalist candidate I go to the environmentalist groups. That is where I would go. You are not going to walk down the aisles of Kmart or Walmart or Costco and ask people that you know, "Hey you want to serve on the Planning Commission?" No. I think you go out and you find a list, get a group of people that are interested. Then you narrow that list down and the Mayor finds the one (1) that he believes is best qualified. Then he comes to the Council. That obviously has not been done. Not even an ad in the paper. When we set up Boards and Commissions, that was the purpose of that, was to make sure these positions are constantly filled and thirteen (13) months is way too long. So, I am definitely going to support the deferral and like Mr. Bynum said, that is not any reflection of how I feel about the candidates that we are approving. My plan is to approve both of these candidate when the time comes. But our job here is to provide that oversight. Often times we are limited to what we can do, whether it is an Administrative function or Legislative function. There is that balance of power. This is our opportunity where we can apply some pressure and say, listen, if you do not comply with Charter because the Charter says that the Commission shall be made up of seven (7) people and it shall be made of up these types of people. We have not done that. So, one (1) could argue that we are in violation of the Charter. Really, if you analyze the efforts, no ads in the paper, no contact with any organized environmental groups. What effort have we really made? I think that we can. I do not think...I think in six (6) weeks we can a name from the Administration and I hope so.

Chair Furfaro: Why do you not let me call Mr. Heu up.

Mr. Rapozo: Okay, that is fine. I...

Chair Furfaro: Since some of those questions are directed at them. I am going to suspend the rules again. Mr. Heu.

There being no objections, the rules were suspended.

Chair Furfaro: You have the floor, Mr. Rapozo.

Mr. Rapozo:

I do not have any questions.

GARY K. HEU, Managing Director:  
good afternoon members of the Council.

Thank you Chair and

Chair Furfaro: Gary, obviously you have heard some of the concerns from the members and I called you up to see if you could address if from the Mayor's perspective please.

Mr. Heu: I definitely have heard comments around the table and can appreciate those comments. What I would say is, and I think some of Councilmember Rapozo's comments are well taken. To my knowledge and I could very well be wrong, but I do not think we have...I have ever seen an instance where we have or any Administration has put out ads in the paper for soliciting Board and Commission members. I think what has happened and what I have seen during my tenure with the County is that we have seen different bars put in place, call them hurdles if you will, that I think have in part reduced the pool of candidates that we have for all Boards and Commissions. I think we have a total of one hundred (100)...that is a total of one hundred sixteen (116) Board and Commission members across the County. In any given year we are looking at finding twenty (20) new Commissioners, Board or Commissioners, to serve as well as potentially reappointing twenty (20). What I have seen over the years is that number one (1), and I am not saying this is a reflection upon how this body conducts business. But when I served on the Planning Commission, it seems like many years ago, there was an interview process and Chair Furfaro remembers this, before the Council. However, it was, I do not recall if it was done in Executive Session. But it certainly was not done on camera and I think that fact alone, you know, has sent some people underground in terms of not being willing to expose themselves to that process and that is okay. Every individual needs to make that determination for themselves. All I am saying that is a reality of what we are dealing with as we got out and look for qualified candidates. That is one (1) thing. The other thing is that, and I hope that by stating that on the floor that I am not chasing additional people away. But you all, as do we as appointees, are required to fill out disclosure forms. Well, so are Board and Commission members and you would be surprised the number of Board and Commission candidates who when they find out that they need to disclose all of this information are just unwilling to do that. Thirdly, this was a few years ago when our County Attorney issued an opinion basically on a Charter Provision, I think it is under the Board of Ethics Section in Charter which basically says that you cannot represent, if you sit on the Board or Commission you cannot represent your interests or that of a client in front of another Board or Commission and you would be surprised how many qualified Board and Commission members we lost just because of that ruling, that opinion. So, we lost a number of good people because of that and because of that same provision we are unable to get some very good and qualified people in our community to serve.

It is been a combination of those things that I think that call it we are in a transition mode. But it is a combination of those things that I think has made it more challenging for us to find candidates and get them in front of you for confirmation. Having said that, I do not want this Board or anybody watching to think that this is selection process is something that is carried out behind the Mayor's closed door. We have gone in front of our Department at a Department Head meeting, which I think sitting around the table, we have more than...we only have twelve (12), thirteen (13) Department Heads. But we invite another appointees and Deputies. So, probably sitting around the table we have close to

thirty (30) people on a Monday morning at our Department Head meetings. We put the call out to them. We say, "Hey look," and we are not just talking about the Planning Commission. We are talking about any...if they know of any person who is willing to serve on any Board or Commission to please contact Paula because we take all comers in terms of at least going through the vetting process. Unless you sit in Paula's chair, which was formerly John Isobe's chair, you do not understand the pain it is to try to get good people to serve. Sometimes it is, I am sure none of you have never done cold call sales, but as soon as they hear Paula's voice it is like, oh that is okay. It is a difficult situation. Again, I just wanted to share that perspective with you. I agree, Councilmembers that twelve (12), thirteen (13) months is a long time. But when we talk about the eight (8) people who have gone through a vetting process, that does not count of the numerous other people who..to whom calls have been made and right off the bat before we even get a chance to go through a vetting process they are saying "I cannot or I am unwilling." So, I just wanted to put that in front of you and the vote you take is the vote that will you take. I mean, personally, having sat on the Planning Commission and knowing even at a point in time that we had a full slate of members sitting in that Commission, there were times when we had to cancel meetings, you know? We had seven (7) members sitting, but we had a tough time getting four (4) guys as round the table. So, I would encourage you. I think we have put two (2) really, really good candidates in front of you for your consideration. I think you have acknowledged that. I would encourage this body to seriously consider confirming them. I can tell you as Paula indicated, there are two (2) people under consideration right now, that are going through the final stages of the vetting process. I think one (1) of them might be a name that was actually provided by a Councilmember. So, I would say that we are pretty close. Again, we do have two (2) people, yes, that have said that they would stay on. But if something comes up and they decide not to, there is nothing that obligate them to. If something comes up for another sitting Commissioner member and they...because I know of a situation right now that we have just got a heads up that a Commissioner on another Board/Commission is considering resigning for whatever reason. We have those situations that are fairly common. So, I would say that we cannot predict what is going to happen. I am not trying to use any scare tactics. I am just saying that you have two (2) good candidates in front of you. Personally I would like you to see this body confirm them and we will move as quickly as possible to go through our vetting process and hope this will be the end of this seemingly what has been a drought for us in terms of having a full complement of seven (7) Commission members. That is all that I have.

Chair Furfaro: Thank you, Gary. But I need this body to get to the vote because we have Attorneys that need to spend time with us on other matters.

Mr. Heu: I appreciate the time. Thank you.

Chair Furfaro: But allow you time to answer some of the general questions. Mr. Rapozo

Mr. Rapozo: Thank you, Mr. Chair and Gary for being here. Why would we not be put it in the paper or why would we not reach out to the environmental organizations? Thirteen (13) months is a long time. I think you would agree. Are those obstacles or roadblocks that you talked about, does that only apply to the Planning Commission environmental position?



Mr. Heu:

Oh, no.

Mr. Rapozo: We turn these resignations. When people resign, we get the nominations right away. Is it something that is only for this one (1) classification in Planning?

Mr. Heu: No, I would say that is across the board. To your question about why we have not put out an ad or done further reaching out, I think those are points well taken. Like I said, that is nothing that I do not think any Administration has previously had to contemplate because I do not think it was as difficult as it is today to find people who are willing to serve. So, I think that is a reasonable suggestion and something that we may look at employing in the future.

Mr. Rapozo: I think especially because of the length of time. After three (3) months, I guess at that point you have to think about what you are going to do. The Charter says we have to, we are not doing it and it just seems like reasonable opportunities because at the end of the day the Mayor is going to make the decision anyway. I think a good pool of names that really are truly environmentalists because have I to agree with Mr. Hooser, that the balance has not been there and I think that does not make for a good Commission if you have an overpowering business presence. A lot of these projects, they go to the Planning Commission are business oriented and yet we do not have an equal voice on the environmental side. So, I would hope that you can take that to heart.

Mr. Heu:

I understand the concern, absolutely.

Mr. Rapozo:

Thank you.

There being no objections, the meeting was called back to order, and proceeded as follows:

Chair Furfaro: Mr. Heu, thank you very much. We need to continue with our business. We do have a motion to approve and a second. We looked like we had a request to defer and that was from Mr. Hooser. Then obviously, a motion to defer if it gets second has a priority over a motion to approve. Do I have a second?

Mr. Hooser moved to defer Resolution No. 2013-36, seconded by Mr. Rapozo.

Chair Furfaro: There is a motion to defer to the next Council meeting and a second. There is no discussion on a deferral. May I please have a roll call vote?

The motion to defer Resolution No. 2013-36 was then put, and carried the following vote:

FOR DEFERRAL:	Hooser, Rapozo	TOTAL - 2,
AGAINST DEFERRAL:	Kagawa, Nakamura, Yukimura,	
	Furfaro	TOTAL - 4,
SILENT:	Bynum	TOTAL - 1,
EXCUSED & NOT VOTING:	None	TOTAL - 0,
RECUSED & NOT VOTING:	None	TOTAL - 0.

Chair Furfaro: I believe the silent vote goes with the no group. So, it is five (5) to two (2). Am I correct?

Mr. Rapozo: No, I believe the silent goes with the motion.

Chair Furfaro: Silent goes with the majority.

Mr. Rapozo: No, it does not go with the majority. It goes with the motion.

Chair Furfaro: Okay. Hold on, let us not have a...let us get a clarification.

Mr. Kagawa: It does not matter.

Mr. Rapozo: It does not matter.

Chair Furfaro: It matters.

Ms. Nakamura: How did you want to vote, Tim?

Mr. Rapozo: It goes with the motion. That...

Ms. Yukimura: I thought it went with the prevailing vote?

Mr. Rapozo: No, it goes with the motion.

Chair Furfaro: May I get an interpretation? Let us not have continued discussion. My interpretation is it goes with the prevailing majority. Can I have our two (2) Attorneys for a few minutes and I am going to go and talk to Mr. Greg Sato and ask him to be patient with us because he is here from Honolulu. We are in a short recess for interpretation.

There being no objections, the Council recessed at 4:26 p.m.

There being no objections, the meeting was called back to order at 4:28 p.m., and proceeded as follows:

Chair Furfaro: Can I get your interpretation, please, as a Senior Legal Analyst to the Council.

PETER MORIMOTO, Senior Legal Analyst: Rule 5B of the Council Rules read as follows, "Silent vote unless a member is absent from voting the member's silence shall be recorded as an affirmative vote for the motion."

Chair Furfaro: So, Tim's silence went with the motion?

Mr. Morimoto: Correct.

Chair Furfaro: So, now we have a 4:3. Am I correct? And can we have an interpretation of the four 4:3?

Mr. Morimoto: It means the motion would pass.

Chair Furfaro: Okay, just wanted to do that for the record.

Mr. Bynum: No, the motion fails.

Chair Furfaro: The motion failed?

Mr. Morimoto: It was 3:4. Okay 3:4, then it fails.

Chair Furfaro: I am going to restate it just for the camera.  
The deferral failed with the silent vote going to the motion, then 3:4 and that failed.

Mr. Morimoto: Correct.

The motion to defer Resolution No. 2013-36; failed.

Chair Furfaro: Mr. Bynum, you have a question?

Mr. Bynum: Yes. I just want...I have been on the Council, this is my 7<sup>th</sup> year and in that entire time I had always had the vote first. Even when Mr. Asing was here, he was the Chair and they vote last. It is not always a good place to be in. So, I very rarely have been a silent vote. I did that today because I did not know what outcome was and I said earlier I had mixed feelings because I definitely support Mr. Isobe for this position. But I am sympathetic to the concerns expressed by Councilmember Hooser. So, the outcome is okay. But when we went into the vote I was under the impression that the silence goes with majority. Thank you for that clarification Mel because I have been here seven (7) years and not fully understand that because I never vote silent? It was one (1) of the first times. So, I wanted to explain that. Thank you.

Chair Furfaro: You got the floor for the explanation and you will have to talk to somebody else if you want to drop the "B" in your name and vote "Y." Then you have to beef with JoAnn for Yukimura.

Mr. Bynum: I actually considered changing Council Rules  
next term to make "Y" go first.

Chair Furfaro: So, based on that interpretation, madam  
Clerk, we are back to John Isobe.

Mr. Kagawa moved to adopt Resolution No. 2013-36, seconded by  
Ms. Nakamura.

Chair Furfaro: Thank you, any further discussion? If  
not...yes, go right ahead.

Mr. Kagawa: I understand Councilmember Hooser and Rapozo's reservations. I hope that the Administrative Assistant will let the Mayor know that we believe in our Charter that it is a good thing to have well rounded people. However, I still am troubled that we say we need our environmentalist to be effective. I feel I am an environmentalist. I feel that I care just as much as a person affiliated with the Sierra Club or whatever about our County, our beaches, about everything. So, just being that a person is a affiliated with an environmental group to me or is a person that sends threatening E-mails that you do not take action against the corn companies immediately that you do not care about the

island, that does not make me any better than or any worse than an environmentalist group. So, just with that, I want to state that I think we have two (2) great candidates and I definitely support their measure. I hope that the Mayor will look at filling that spot. Thank you.

Chair Furfaro:  
Yukimura.

Okay, I am going to...Councilmember

Ms. Yukimura: Well, the Charter was changed to require these two (2) positions from each category when I was Mayor. I have always felt that it would be better to just have very good community minded people around the table and what results from this requirement of categories is you try to fit people into these categories when they do not actually meet it. I think it was meant to bring people of different perspectives around the table. But not necessarily mean that business is opposed to environmentalists. I actually think there is much common ground and they are not exactly two (2) different sides of an issue. So, I just want to say that I do not like these categories and I do not think that was the intention when the Planning Commission was first formulated. I did have a chance to speak with John Isobe. I was at the Smart Growth Conference and was not able to interview with the rest of you. But John was accommodating enough to meet with me yesterday. I had known him for a long time and know him to be highly qualified so I am happy to vote for him. I do appreciate the concern that there is a seat labeled environmentalist that is not filled and has not been filled for a long time. I think that is a big gap. I do hope too, that the Mayor will move quickly. I do know how hard it is to get people qualified and screened. You know, one (1) thing about putting it out in the newspaper is it could be a huge job to screen if there were a lot of applications. When I was Mayor and we were looking for people, we did not have half the number of restrictions that today are causing people to step back. So, I do acknowledge that there has been a lot of hard work. But I think the position has to be filled soon and I like that there has been good effort to find somebody good because it is a very critical position. The Commission is a very critical body. So, hopefully that will be filled soon.

Chair Furfaro:

Mr. Hooser, you have the floor.

Mr. Hooser: Yes, Mr. Chair. We talked about this a lot and we have a big agenda and I will keep my remarks short. I started my conversation saying I was not comfortable voting in support of the strong business representative and that it was not about the person, Mr. Isobe, who I thought was qualified. But it was about the principle of appointing and confirming a very strong business representative and while leaving the environmental slot empty for thirteen (13) months. I agree to some extent that I had questions about the Charter Provision, but that is the Charter Provision and was put in. It was put in to ensure that those various interests were properly represented. It was not just to be someone who supports the environment or supports the business. They are looking for people qualified to represent those interests, people that have education or training or history in those areas, whether it be labor or business or environment. Being vacant for thirteen (13) months to me is a troubling sign. It is a disrespectful sign and to not speak to those organizations as if you were to just talk to the Chamber of Commerce, talk to KVB. If you looking for business people talk to the various organizations. But not to speak to the environmental organizations be it the Sierra Club, Surf Rider, Malama Kaua'i, Apollo there are any number of them, and to not reach out into the community. Then yet complain that there is not enough applicants that are qualified. I believe if we reached out into the

community we would find plenty of good people who just do not happen to be connected to County employees or Councilmembers or Mayors or whatever. There are plenty of good people. I am convinced. Retired people, young people, old people, who would welcome the opportunity to serve. So, I will not be supporting this appointment on the matter of principle as I stated before. I hope that the Administration and the Mayor will look very hard at this next position and appoint someone who is truly qualified, who has a track record, experience, and the qualifications to serve in that position well. Thank you.

Chair Furfaro:

Thank you. Mr. Rapozo.

Mr. Rapozo: Thank you. Like Mr. Hooser, I will not be supporting the confirmation today. I think his motion to defer for one (1) Council...for the next Council Meeting was a very reasonable request. It would have given the Administration two (2) weeks to come to us with a progress report. Come to us and say we made contact versus your points are well taken and we may consider utilizing that. That is not a commitment to me. We "may consider." I am sure this will make the newspaper and I would hope that the Mayor's Office gets flooded with names. Councilmember Yukimura said you will have a lot of people to screen. Well, that is a good problem to have. I mean, what are we looking for environmentalists that only support what the Mayor wants? What the Administration wants or are we open to bringing in a true environmentalist and Mr. Hooser mentioned a lot of those organizations? Are we really looking for that equal balance on the Commission? So, I did not think it was unreasonable to the next Council Meeting, two (2) weeks, fourteen (14) days, for the Mayor to come back and say to us hey, this is what we have done. We have put an ad in the paper. We have sent requests to all the organizations on Kaua'i, the environmental organizations and you know what, we have received fifteen (15) names that we are going to be processing. I would feel much better if that was the response that we got today. That was not the response that we got today. What we got today, was your points are well taken, but it is tough. But it is only tough for this one (1). I understand that a lot of the Commissions we have hard times filling. We know. We have Council positions on Commissions that we have a hard time filling. That is understood. But thirteen (13) months for the Planning Commission is...when we replace a business, there is no problem. So, I am having a problem with that. So, I will not be supporting this. I can tell you. I am sure we could have gotten a unanimous vote if in fact the deferral would have gone through and if we in fact got some form of commitment from the Administration, I believe this would be a 7:0 vote. But I am going to vote against it and not meant...please do not take this as a vote against the individuals because it is not. I really wanted to support this. But on the principle of using our ability to basically force the Administration to comply with the Charter. I am not going to be supporting today's confirmation. Thank you.

Chair Furfaro:

Members, I would like to get to a vote and I would also like to say that you continue to be encouraged by me as I concurred with Mr. Hooser in signing the letter that went over to the Mayor. But I also sent a couple of people that I interviewed that belonged to Save Our Surf and other environmental organizations. I used to be part of the (inaudible) vet Green Fever when I was a young man which included riding a zodiac in front of the French Frigates that were delivering the nuclear bombs to Mururoa atoll. But I am a business guy. But I also have great stewardship because that was the right thing to do when I was nineteen (19). I do not know if I would go it again at sixty-four (64). But no guts, no glory. So, let us call for a roll call vote right now, please.

The motion to adopt Resolution No. 2013-36 was then put, and carried the following vote:

FOR ADOPTION:	Bynum, Kagawa, Nakamura, Yukimura	
	Furfaro	TOTAL - 5,
AGAINST ADOPTION:	Hooser, Rapozo	TOTAL - 2,
EXCUSED & NOT VOTING:	None	TOTAL - 0,
RECUSED & NOT VOTING:	None	TOTAL - 0.

Chair Furfaro: I would like to move to the next item and then go in immediately into Executive Session.

Resolution No. 2013-37, RESOLUTION CONFIRMING MAYORAL APPOINTMENT TO THE PLANNING COMMISSION (*Amy A. Mendonca*): Mr. Kagawa moved to adopt Resolution No. 2013-37, seconded by Ms. Yukimura.

Chair Furfaro: You have the floor.

Ms. Yukimura: Thank you. As has been stated on the floor the Planning Commission is a very far reaching Commission in its decisions. So, I take the responsibility of confirming the position seriously. I have not had a chance to meet with Ms. Mendonca and I did try and I think she tried. But we just...because I was back only on Monday and we just had yesterday. So, either a motion to defer or to give me some time to meet with her would be helpful or I will do a silent vote because I have not had a chance to talk to her.

Chair Furfaro: Okay. I am going move forward with the process and the vote. If you choose to go on a silent vote, that is clearly your choice.

Ms. Nakamura: Move to approve.

Chair Furfaro: We have that motion. Did you want the floor? No? Okay. Let us do a roll call vote, please.

The motion to adopt Resolution No. 2013-37 was then put, and carried the following vote:

FOR ADOPTION:	Bynum, Hooser, Kagawa, Nakamura, Rapozo,	
	Furfaro	TOTAL - 6,
AGAINST ADOPTION:	None	TOTAL - 0,
SILENT:	Yukimura	TOTAL - 1,
EXCUSED & NOT VOTING:	None	TOTAL - 0,
RECUSED & NOT VOTING:	None	TOTAL - 0.

There being no objections, Executive Session ES-599 was taken out of order.

Chair Furfaro: Can I have the County Attorney up please?

There being no objections, the rules were suspended.

Mr. Castillo: Council Chair, for your consideration I am going to read ES-599. Is that correct?

Chair Furfaro: Is that with Greg Sato and the firm of Kobayashi?

Mr. Castillo: Yes.

Chair Furfaro: Yes.

ES-599 Pursuant to Hawai'i Revised Statutes (HRS) Sections 92-4, 92-5(a)(4), and Kaua'i County Charter Section 3.07(E), the Office of the County Attorney, on behalf of the Council, requests an executive session with the Council, to consult with Special Counsel relating to the investigation of personnel matters involving the Office of the County Auditor and related matters. This briefing and consultation involves the consideration of the powers, duties, privileges, immunities, and/or liabilities of the Council and the County as they relate to this agenda item.

Chair Furfaro: Thank you. I just want to note that we have much business still to do and we have other members on future Executive Sessions that are on a timing matter might excuse themselves. So, I want to go directly into this vote for Executive Session.

Mr. Kagawa moved to convene in Executive Session ES-599 as recommended by the County Attorney, seconded by Ms. Nakamura.

Chair Furfaro: Thank you, Mr. Bynum, you have the floor.

Mr. Bynum: Just a process. We have other agenda items other than Executive Session.

Chair Furfaro: Yes, we have to come back for business.

Mr. Bynum: Thank you.

Chair Furfaro: We had a long morning. We covered two (2) items the whole morning. We have a motion and second. May I have a roll call vote please?

The motion to convene in Executive Session ES-599 was then put, and carried the following vote:

FOR EXECUTIVE SESSION:	Bynum, Hooser, Kagawa, Nakamura, Rapozo, Yukimura, Furfaro	TOTAL - 7,
AGAINST EXECUTIVE SESSION:	None	TOTAL - 0,
EXCUSED & NOT VOTING:	None	TOTAL - 0
RECUSED & NOT VOTING:	None	TOTAL - 0.

There being no objections, the Council recessed at 4:45 p.m.

There being no objections, the meeting was called back to order at 6:13 p.m., and proceeded as follows:

Chair Furfaro: Aloha. We are back from our Executive Session. To the Clerk, could you please take us to the appropriate page and let us continue with some of our working documents.

COMMUNICATIONS:

C 2013-38 Communication (12/10/2012) from the Director of Finance, requesting Council approval to dispose of government records in the Department of Finance, Accounting Division, pursuant to Hawai'i Revised Statutes (HRS) 46-43(c) and Resolution No. 49-86 (1986), as amended. The reports and records have met the seven (7) and ten (10) year retention periods:

- (1) Seven (7) Year retention:
  - Cash Receipts: 2002 to, and including June 30, 2005,
  - Payroll checks: 2004 to, and including June 30, 2005,
  - Accounts Payable cancelled checks: 2003 to, and including June 30, 2005,
  - Accounts Payable Registers: 2004 to, and including June 30, 2005,
  - Inventory Files: 2003 to, and including June 30, 2005.
- (2) Ten (10) Year retention:
  - Accounts Payable: November 2001 to, and including June 30, 2002.

Chair Furfaro: Okay, let us wait for Sally to walk over. She is back from Honolulu. Let us go to the next item.

CLAIMS:

C 2013-76 Communication (01/23/2013) from the Deputy County Clerk, transmitting a claim filed against the County of Kaua'i by Crawford & Company, as subrogee for Fe Cantorna and Geomar Cantorna, for damage to their personal property, pursuant to Section 23.06, Charter of the County of Kaua'i: Mr. Kagawa moved to refer C 2013-76 to the County Attorney's Office for disposition and/or report back to the Council, seconded by Mr. Rapozo, and unanimously carried.

C 2013-77 Communication (01/23/2013) from the Deputy County Clerk, transmitting a claim filed against the County of Kaua'i by Midori C. Komar, for damage to her vehicle, pursuant to Section 23.06, Charter of the County of Kaua'i: Mr. Kagawa moved to refer C 2013-77 to the County Attorney's Office for disposition and/or report back to the Council, seconded by Mr. Rapozo, and unanimously carried.

C 2013-78 Communication (01/29/2013) from the Deputy County Clerk, transmitting a claim filed against the County of Kaua'i by Alice M. Morikawa, for financial loss, and emotional and psychological damages, pursuant to Section 23.06, Charter of the County of Kaua'i: Mr. Kagawa moved to refer C 2013-78 to the County Attorney's Office for disposition and/or report back to the Council, seconded by Mr. Rapozo, and unanimously carried.



COMMITTEE REPORTS:PLANNING COMMITTEE:

A report (No. CR-PL 2013-01) submitted by the Planning Committee, recommending that the following be approved.

“Bill No. 2439 A BILL FOR AN ORDINANCE AMENDING CHAPTER 8, KAUAI COUNTY CODE 1987, AS AMENDED, RELATING TO THE COUNTY OF KAUAI PLANNING DEPARTMENT CIVIL FINES,”

Mr. Bynum moved for approval of the report, seconded by Ms. Nakamura, and unanimously carried.

BILLS FOR FIRST READING:

Proposed Draft Bill (No. 2465) – A BILL FOR AN ORDINANCE TO AMEND CHAPTER 9, KAUAI COUNTY CODE 1987, AS AMENDED, TO ALLOW FOR MULTI-MODAL TRANSPORTATION PRINCIPLES FOR SUBDIVISIONS: Ms. Yukimura moved for passage of Proposed Draft Bill No. 2465 on first reading, that it be ordered to print, that a public hearing thereon be scheduled for March 13, 2013, and that it thereafter be referred to the Planning Committee, seconded by Ms. Nakamura.

Chair Furfaro: We have a motion and a second.

Ms. Yukimura: Mr. Chair?

Chair Furfaro: You have the floor, go ahead.

Ms. Yukimura: I have a set of amendments which are mainly wording amendments. They do not change the nature except in one (1) case. I am not going to introduce it today. But I am going to circulate it and also send it to the Planning Department for their comments so they might have some answers back. I just wanted to have it circulated for everyone's information?

Chair Furfaro: Any further dialogue from anyone? The proposed amendments are being circulated now? Yes, okay. Thank you. Any further discussion? No.

Ms. Yukimura: Excuse me, Mr. Chair.

Chair Furfaro: Go right ahead.

Ms. Yukimura: I did also previously today circulate a flyer with a transmittal letter that shares some information that we got at Smart Growth Conference regarding multi-modal infrastructure. That is just for everyone's information and for the record, I would like to have that entered into the record.

Chair Furfaro: Okay, so noted. This is the correspondence dated today from Council Chairperson of Housing and Transportation to all members. Please note.

Ms. Yukimura:

Thank you, Chair.

The motion for passage of Proposed Draft Bill No. 2465 was then put, and carried the following vote:

FOR PASSAGE:	Bynum, Hooser, Kagawa, Nakamura, Rapozo, Yukimura, Furfaro	TOTAL – 7,
AGAINST PASSAGE:	None	TOTAL – 0,
EXCUSED & NOT VOTING:	None	TOTAL – 0,
RECUSED & NOT VOTING:	None	TOTAL – 0.

BILLS FOR SECOND READING:

Bill No. 2439, Draft 1 – A BILL FOR AN ORDINANCE AMENDING CHAPTER 8, KAUAI COUNTY CODE 1987, AS AMENDED, RELATING TO THE COUNTY OF KAUAI PLANNING DEPARTMENT CIVIL: Ms. Yukimura move to adopt Bill No. 2439, Draft 1 on second and final reading, and that it be transmitted to the Mayor for his approval, seconded by Mr. Bynum.

Chair Furfaro: Any discussion?

Ms. Yukimura: Yes, Mr. Chair.

Chair Furfaro: You have the floor, go right ahead.

Ms. Yukimura: I was not here when it came up in Committee this last time. But I have checked with Councilmember Rapozo. I think our intention was that we allow the fund to be use for contracting services and not for independent contractors because there were problems with hiring a body and maybe Councilmember Rapozo can confirm that. If, so I would like to just have a small amendment prepared. Maybe we can prepare it while Ms. Motta is...

Chair Furfaro: Giving us an update?

Ms. Yukimura: Ms. Motta is going to...

Chair Furfaro: She is on her way over. Am I correct, Staff?

Ms. Yukimura: Right. So, if we could have this matter just put aside until after Ms. Motta's...

Chair Furfaro: We can do that.

Ms. Yukimura: Presentation.

Chair Furfaro: We can do that.

Ms. Yukimura: Thank you.

Chair Furfaro: So move to the end of the agenda. But before we do, Vice Chair Nakamura, you have a question for the Councilwoman?

Ms. Nakamura: Yes. The question is what was the concern of the use of independent contractors which is a term used by the IRS in identifying sole proprietors and others that are not going to be basically County employees, anyone other than a County employee?

Ms. Yukimura: If I recall correctly and I may need some help. I think Councilmember Hooser and Councilmember Rapozo were part of that discussion. It was a warm body that was going to be hired with non-continuous funding whereas contractual services allows for a contract for business. It is a business entity or a...

Ms. Nakamura: Any independent contractor would have to have a business license, a GET.

Ms. Yukimura: But it would also give the flexibility to hire a firm rather than a person.

Ms. Nakamura: An independent contractor...

Ms. Yukimura: Is a person. But you would be allowed to retain a firm to get services or you could get an individual. But it would be as a business rather than a body or employee.

Ms. Nakamura: Maybe we should ask the County Attorney, can the independent contractor be a business?

Mr. Rapozo: I can answer that.

Ms. Nakamura: Because I have participated with contracts in the County that it is. An independent contractor could be a business or a person.

Ms. Yukimura: Oh, okay. Well, if that is not the issue then...

Mr. Rapozo: What I was looking at as you approach met with the contract for services, it sounded easier for them to fulfill only because they could, in fact, hire a retired Police Officer and got a contract for services. He still would be an independent contractor because that is, I think, the term that the County uses when they go out for bid. You have to be an independent contractor basically saying that you are not a County employee. Either way, it works. I am okay with either way, either one (1) of them. Contract for services could be a business or an individual. I want the Planning Department to have that flexibility because I think it is a lot cheaper to hire a retired investigator to go out and inspect and enforce. So, I am fine with either way.

Ms. Yukimura: Oh, okay. Then I do not need to prepare any amendment.

Chair Furfaro: Okay.

Ms. Yukimura: So, we can act on this.

Chair Furfaro: Since we will not be making *lomi lomi* on this one (1), let us go ahead. We have a motion and a second. So, let us vote.

The motion to adopt Bill No. 2439, Draft 1 on second and final reading was then put, and carried by the following vote:

FOR ADOPTION:	Bynum, Hooser, Kagawa, Nakamura, Rapozo, Yukimura, Furfaro	TOTAL - 7,
AGAINST ADOPTION:	None	TOTAL - 0,
EXCUSED & NOT VOTING:	None	TOTAL - 0,
RECUSED & NOT VOTING:	None	TOTAL - 0.

Chair Furfaro: Can we go back to the Finance people? Sally, would you please come up. The other items we are going to defer. But this deals with the status on the records.

There being no objections, the rules were suspended.

SALLY MOTTA, Deputy Director of Finance: That is correct.

C 2013-38 Communication (12/10/2012) from the Director of Finance, requesting Council approval to dispose of government records in the Department of Finance, Accounting Division, pursuant to Hawai'i Revised Statutes (HRS) 46-43(c) and Resolution No. 49-86 (1986), as amended. The reports and records have met the seven (7) and ten (10) year retention periods:

- (3) Seven (7) Year retention:
  - Cash Receipts: 2002 to, and including June 30, 2005,
  - Payroll checks: 2004 to, and including June 30, 2005,
  - Accounts Payable cancelled checks: 2003 to, and including June 30, 2005,
  - Accounts Payable Registers: 2004 to, and including June 30, 2005,
  - Inventory Files: 2003 to, and including June 30, 2005.
- (4) Ten (10) Year retention:
  - Accounts Payable: November 2001 to, and including June 30, 2002.

Chair Furfaro: Thank you. Members, that may have had questions for the Finance Department, this is your opportunity. Mr. Rapozo.

Mr. Rapozo: Thank you, Sally for being here so late. The question I had was and I raised it on the floor. Did we send a communication over requesting? Did we get a response regarding the report that I had received that some of the financial documents were being buried at the landfill? This was probably within the last four (4) to six (6) weeks.

Ms. Motta: The only documents that we in the Finance Department are aware of that have been buried in the landfill look like this when they go in. We have a machine over there that does shred them down to this particular size. These cannot be recycled. So, they do end up in the landfill. But that is what they look like.

Mr. Rapozo: So, it was not Finance out there with the banker's boxes.

Chair Furfaro: It must have been somebody else.

Ms. Motta: We know nothing of that.

Mr. Rapozo: Then we need to pursue that. What was it...probably about two (2) weeks ago? I was told it was Finance that was there, I guess, overseeing the burial. But we can pursue that with Public Works and the landfill because I am not sure.

Ms. Motta: I can give you information on our go forward basis because...

Chair Furfaro: No.

Mr. Rapozo: Going forward is good. But my concern is I want to make sure that financial records were not buried prior to Council approval. Again, we will follow-up with...

Chair Furfaro: I would like a direct communication to Mr. Fujimoto from the Council Chair.

Mr. Rapozo: I guess I will take a ride out there as well to go interview some of the workers. It is troubling. The other question and I think...

Chair Furfaro: Excuse me, Mel, I sent that communication...should I ask them to be available for your Committee? Should I tell them that?

Mr. Rapozo: That would be fine if we are going to post it?

Chair Furfaro: Okay. So, let us do that. You still have the floor.

Mr. Rapozo: Then the other question...and I know your response stated that we are not required to keep any digital copies. But I think it was Councilmember Yukimura's concern as well. Granted we can dispose of the physical documents, but should we not have some record?

Ms. Motta: We are not destroying records. We are talking about canceled checks that have been sitting around for a good many number of years that we can get copies from the bank if we need those. Any of our ledgers are still being kept, the originals, and those are not the items that we originally requesting to have destroyed. If you go back to our original request, those are items that there is not a real reason to have to maintain copies of them.

Mr. Rapozo: So, what is being destroyed? Just payroll checks? I am looking at cash receipts, payroll checks, accounts payable, canceled checks, accounts payable registers, and inventory files.

Ms. Motta: Correct.

Mr. Rapozo: All of those will be, so the registers as well?

Ms. Motta: Well, the only register is for accounts payables that are only from 2004 to 2005.

Mr. Rapozo: We have destroyed all prior to that already?

Ms. Motta: I am sorry?

Mr. Rapozo: We have destroyed prior to 2004?

Ms. Motta: Correct.

Mr. Rapozo: Okay.

Ms. Motta: I did check with our Department regarding anything that had to do with payroll and the response I got was everything on the payroll check is in our payroll system. We validate the summarized total of gross earnings less deductions and taxes which equal net pay. For audits requests the system has check history that goes back to January 12, 1996 and this future provides detailed transactions including check number, date, line item, hours earned, line item deductions, before tax adjustments, taxes, and net pay. So, all of that information we still retain and that goes back to 1996.

Mr. Rapozo: Yes, so that we have. The cash receipts though, no records once we destroy them?

Ms. Motta: I am sorry, the what?

Mr. Rapozo: The cash receipts from 2002 to 2005?

Ms. Motta: No.

Mr. Rapozo: So, once those records are destroyed...

Ms. Motta: We do not have to...I mean, that information is no longer even necessary. I mean there is no reason for us to keep that. We have never been asked for that information and it is not going to serve any purpose at this time.

Mr. Rapozo: Okay. I am just really concerned with the last audit that we had that there is some really questionable things and I just do not want to be caught that sorry, we do not have those records. So, I do not know how difficult it would be to scan these in before we destroy? So, there are some records somewhere and I understand that you just said the payroll, paychecks, and so forth registers back to 1996. But for some of these things we do not and there is no opportunity to research prior to 2005.

Ms. Motta: We just do not really either anticipate a need to ever have to research that either. I mean we would not be asking to destroy them if we thought there was any reason that we were going to be needing them. We are definitely following what is allowed underneath the Resolution that the County had put into place as far as how to follow that procedure with everything. So, that is what we are following.

Mr. Rapozo: Alright, thank you.

Chair Furfaro: Councilmember Yukimura probably has a question for you about recycling, what you just shredded.

Ms. Yukimura: No, it is actually about the payroll checks.

Chair Furfaro: Okay. I could not pass up the opportunity.

Ms. Yukimura: Actually I am impressed how compact the paper is that is being recycled.

Ms. Motta: This is from one (1) of the machines that we do have and this is what we have used up to this point of anything that had social security numbers, confidential E-mails, or anything of that nature and that does have to go into the landfill. We have since that time entered into a contract...

Chair Furfaro: Sally that was a joke. I need to recognize her for her question, first.

Ms. Yukimura: My question is about the payroll checks. I believe you answered it. But I just want to make sure because we are concerned about the audit results about employee payroll and some of the discrepancies that have been found. I just wanted to make sure there are the original...there is accurate replications of the original checks and personnel payroll data. So, that if we need to do an audit the trail is there. What I was told is that when the checks are cut, the entries go also to the ledger, which we have.

Ms. Motta: That is correct. Every pay cycle a ledger is produced that has all of that information of all the breakdown on the number of hours worked, the pay, everything on it, what the deductions were, everything.

Ms. Yukimura: Alright. I mean, I would guess that we might if any real questions come up when people are ready to retire, etcetera that might go before 1996. So, I am concerned that they do not exist...you said that we have records only up to 1996.

Ms. Motta: We have the payroll information going back to 1996.

Ms. Yukimura: Alright. Well, that is actually another matter because the agenda item is for the seven (7) years back. So, I am satisfied at this point regarding this agenda item. Thank you.

Chair Furfaro: Thank you very much. If there is not any more questions, I would like to get an approval on this one (1) and then call the County Attorney up to read the next three (3) Executive Session items and break for dinner. So, no more questions of Sally? We have a motion and a second. All of those in favor signify...

Ms. Yukimura: Do we have a motion? Move to approve.

Chair Furfaro: We do have a motion, right?

Ms. Yukimura moved to approve C 2013-38, seconded by Mr. Kagawa.

Chair Furfaro: Any further discussion? Go ahead.

Mr. Rapozo: I will be supporting this today. But I do want to pursue that other matter as we spoke. Thank you.

Chair Furfaro: I am going to direct it with my signature asking them to respond in your Committee.

Mr. Rapozo: Thank you.

The motion to approve C 2013-38 was then put, and carried a 6:0:1 vote. (*Bynum was excused*)

Chair Furfaro: Let the record show that Mr. Bynum had a previous appointment. Can I have the County Attorney up, please?

EXECUTIVE SESSION:

Mr. Castillo: Council Chair, correct me if I am wrong. I am looking at 595, 596, 597, and 598.

Chair Furfaro: Yes, right? Yes.

Mr. Castillo: Okay. Thank you.

ES-595 Pursuant to Hawai'i Revised Statutes (HRS) Sections 92-4, 92-5(a)(4), and Kaua'i County Charter Section 3.07(E), on behalf of the Council, the Office of the County Attorney requests an executive session with the Council to provide the Council with a briefing, discussion and consultation regarding the quarterly report on pending and denied claims. This briefing and consultation involves the consideration of the powers, duties, privileges, immunities, and/or liabilities of the Council and the County as they relate to this agenda item.

ES-596 Pursuant to Hawai'i Revised Statutes (HRS) Sections 92-4 and 92-5(a)(4) and (8), and Kaua'i County Charter section 3.07(E), the purpose of this executive session is to provide the Council with a briefing as it relates to Defendant Shaylene Iseri-Carvalho in Tim Bynum vs. County of Kaua'i, et al., Civil No. CV12-00523 RLP (U.S. District Court), and related matters. This briefing and consultation involves consideration of the powers, duties, privileges, immunities, and/or liabilities of the Council and the County as they relate to this agenda item.

ES-597 Pursuant to Hawai'i Revised Statutes (HRS) Sections 92-4 and 92-5(a)(4) and (8), and Kaua'i County Charter section 3.07(E), the purpose of this executive session is to provide the Council with a briefing as it relates to Defendant Sheilah Miyake in Tim Bynum vs. County of Kaua'i, et al., Civil No. CV12-00523 RLP (U.S. District Court) and related matters. This briefing and consultation involves consideration of the powers, duties, privileges, immunities, and/or liabilities of the Council and the County as they relate to this agenda item.

ES-598 Pursuant to Hawai'i Revised Statutes (HRS) Sections 92-4 and 92-5(a)(4) and (8), and Kaua'i County Charter Section 3.07(E), the purpose of this executive session is to provide the Council with a briefing on Wayne R. Daniel v. Kodani and Associates, Inc., et al., Civil No. 08-1-0006 (Fifth Circuit Court), and related matters. This briefing and consultation involves consideration of the powers, duties, privileges, immunities, and/or liabilities of the Council and the County as they relate to this agenda item.



Mr. Kagawa moved to convene in Executive Session as recommended by the County Attorney, seconded by Ms. Yukimura.

Chair Furfaro: I would like to take a roll call vote on all four (4), if you do not mind? I also want to say that I am going shorten the dinner hour for us to forty-five (45) minutes. So, that the Staff can have a break and then we can go right to these. For B.C., there might be business that we have to do publicly after we come out of Executive Session. I am sorry it is turning to be a long night for you. Let us do a roll call on the Executive Sessions.

The motion to convene in Executive Session for ES-595 was then put, and carried by the following vote:

FOR EXECUTIVE SESSION:	Hooser, Kagawa, Nakamura, Rapozo, Yukimura, Furfaro	TOTAL – 6,
AGAINST EXECUTIVE SESSION:	None	TOTAL – 0,
EXCUSED & NOT VOTING:	Bynum	TOTAL – 1,
RECUSED & NOT VOTING:	None	TOTAL – 0.

The motion to convene in Executive Session for ES-596 was then put, and carried by the following vote:

FOR EXECUTIVE SESSION:	Hooser, Kagawa, Nakamura, Rapozo, Yukimura, Furfaro	TOTAL – 6,
AGAINST EXECUTIVE SESSION:	None	TOTAL – 0,
EXCUSED & NOT VOTING:	Bynum	TOTAL – 1,
RECUSED & NOT VOTING:	None	TOTAL – 0.

The motion to convene in Executive Session for ES-597 was then put, and carried by the following vote:

FOR EXECUTIVE SESSION:	Hooser, Kagawa, Nakamura, Rapozo, Yukimura, Furfaro	TOTAL – 6,
AGAINST EXECUTIVE SESSION:	None	TOTAL – 0,
EXCUSED & NOT VOTING:	Bynum	TOTAL – 1,
RECUSED & NOT VOTING:	None	TOTAL – 0.

The motion to convene in Executive Session for ES-598 was then put, and carried by the following vote:

FOR EXECUTIVE SESSION:	Bynum, Hooser, Kagawa, Nakamura, Rapozo, Yukimura, Furfaro	TOTAL – 6,
AGAINST EXECUTIVE SESSION:	None	TOTAL – 0,
EXCUSED & NOT VOTING:	Bynum	TOTAL – 1,
RECUSED & NOT VOTING:	None	TOTAL – 0.

Chair Furfaro: We are going to take a dinner break now. We are going to come back into session at 7:20, please.

There being no objections, the Council recessed at 6:57 p.m.

There being no objections, the meeting was called back to order at 8:53 p.m., and proceeded as follows:

Chair Furfaro: We are back from our Executive Session. May I ask the County Clerk to please bring us focused in on these four (4) items.

COMMUNICATIONS:

C 2013-71 Communication (01/31/2013) from the County Attorney, requesting authorization to expend up to \$25,000.00 for special counsel's continued services provided for Defendant Shaylene Iseri-Carvalho in Tim Bynum vs. County of Kaua'i, et al., Civil No. CV12-00523 RLP (U.S. District Court), and related matters: Ms. Nakamura moved to approve C 2013-71, seconded by Mr. Rapozo, and carried the following vote:

FOR APPROVAL:	Hooser, Kagawa, Nakamura,	
	Rapozo, Yukimura, Furfaro	TOTAL - 6,
AGAINST APPROVAL:	None	TOTAL - 0,
EXCUSED & NOT VOTING:	None	TOTAL - 0,
RECUSED & NOT VOTING:	Bynum	TOTAL - 1.

C 2013-72 Communication (01/31/2013) from the County Attorney, requesting authorization to expend up to \$50,000.00 for special counsel's continued services provided for Defendant Sheilah Miyake in Tim Bynum vs. County of Kaua'i, et al., Civil No. CV12-00523 RLP (U.S. District Court), and related matters: Mr. Rapozo moved to approve C 2013-72, seconded by Ms. Nakamura.

Ms. Yukimura: Are we not approving for twenty-five (25)?

Chair Furfaro: No, the posting was for the fifty (50). That is why we had that discussion on these two (2) items. Mr. Castillo, can you come up. I wanted to revisit the posting and the request on this one (1). The question was raised, we are doing fifty (50) as it was written in or did you want to change that?

There being no objections, the rules were suspended.

Mr. Castillo: Yes. Well, we can change it to twenty-five thousand (25,000) to...

Chair Furfaro: Al, we are prepared to vote on the fifty (50).

Mr. Castillo: Okay. The fifty (50)...

Chair Furfaro: The question was asked and I am just repeating it, directed at you.

Mr. Castillo: Okay, that is what Mr. Fuji asked for, fifty thousand (50,000).

Chair Furfaro: Okay, thank you.

Mr. Castillo: Okay, thank you.

There being no objections, the meeting was called back to order, and proceeded as follows:

Mr. Kagawa: Are we going to have discussion?

Chair Furfaro: We can.

Mr. Kagawa: Real quickly. This has been a much publicized case prior to the election. I can tell you for myself, I want to see this thing go all the way. Our normal practice is to settle and for me it would look terrible for us to settle a case with a fellow colleague on the Council. *Mahalo*.

Chair Furfaro: May I continue with a roll call now?

The motion to approve C 2013-72 was then put, and carried the following vote:

FOR APPROVAL:	Hooser, Kagawa, Nakamura, Rapozo, Yukimura, Furfaro	TOTAL – 6,
AGAINST APPROVAL:	None	TOTAL – 0,
EXCUSED & NOT VOTING:	None	TOTAL – 0,
RECUSED & NOT VOTING:	Bynum	TOTAL – 1.

C 2013-73 Communication (01/31/2013) from the County Attorney, requesting authorization to expend up to \$8,920.00 for special counsel's services provided in Wayne R. Daniel v. Kodani and Associates, Inc., et al., Civil No. 08-1-0006 (Fifth Circuit Court), and related matters.

Chair Furfaro: Could you please repeat the number again, the dollar number?

Ms. Fountain-Tanigawa: Eight thousand nine hundred twenty dollars (\$8,920.00).

Ms. Nakamura moved to approve C 2013-73, seconded by Ms. Yukimura, and carried the following vote:

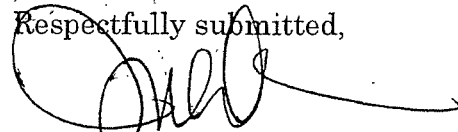
FOR APPROVAL:	Hooser, Kagawa, Nakamura, Rapozo, Yukimura, Furfaro	TOTAL – 6,
AGAINST APPROVAL:	None	TOTAL – 0,
EXCUSED & NOT VOTING:	Bynum	TOTAL – 1,
RECUSED & NOT VOTING:	None	TOTAL – 0.

Chair Furfaro: We have one (1) more item? That is it. On that note, that concludes the business of the Council for today and I want to wish everybody a Happy Valentine's Day tomorrow. *Aloha.*

ADJOURNMENT:

There being no further business, the meeting was adjourned at 8:58 p.m.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Jade K. Fountain-Tanigawa', written over the typed name.

JADE K. FOUNTAIN-TANIGAWA  
Deputy County Clerk

:aa:cy:ds